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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

## Filing at a Glance

Company:	Humana Insurance Company
Product Name:	HIC Small Group Medical Rate Filing_2014.01
State:	Colorado
TOI:	H16G Group Health - Major Medical
Sub-TOI:	H16G.003A Small Group Only - PPO
Filing Type:	Rate
Date Submitted:	05/15/2013
SERFF Tr Num:	HUMA-129002825
SERFF Status:	Closed-Filed
State Tr Num:	278121
State Status:	Filed
Co Tr Num:	
Implementation	01/01/2014
Date Requested:	
Author(s):	Velda Dees, Jason Hill, Jason Hill
Reviewer(s):	Michael Muldoon (primary), Cathy Gilliland, Nichole Boggess, Amy Filler, Rachel Plummer
Disposition Date:	08/13/2013
Disposition Status:	Filed
Implementation Date:	01/01/2014
State Filing Description:	

**State:** Colorado **Filing Company:** Humana Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO  
**Product Name:** HIC Small Group Medical Rate Filing\_2014.01  
**Project Name/Number:** HIC Small Group Medical Rate Filing\_2014.01/

## General Information

Project Name: HIC Small Group Medical Rate Filing\_2014.01 Status of Filing in Domicile: Not Filed  
Project Number: Date Approved in Domicile:  
Requested Filing Mode: File & Use Domicile Status Comments:  
Explanation for Combination/Other: Market Type: Group  
Submission Type: New Submission Group Market Size: Small  
Group Market Type: Employer Overall Rate Impact:  
Filing Status Changed: 08/13/2013  
State Status Changed: 08/12/2013 Deemer Date:  
Created By: Jason Hill Submitted By: Jason Hill  
Corresponding Filing Tracking Number:

PPACA: Non-Grandfathered Immed Mkt Reforms

PPACA Notes: null

Include Exchange Intentions: No

Filing Description:

Provide 2014 Index Rates  
Provide New 2014 Plans  
Provide Medical/Rx Area Factors

State Narrative:

State Tracking #278121 Company: Humana Insurance Company Product Line: Small Group PPO Rate Change Summary  
Effective Date of New Rate Implementation: 1/1/2014 through 12/31/2014 This is a New ACA Compliant Filing for 2014, there is no rate change involved with this filing. The purpose of this rate filing is to establish new product rates that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Affordable Care Act (ACA). Off Exchange Only Plans Platinum: 0 Gold: 8 Silver: 26 Bronze:7

## Company and Contact

### Filing Contact Information

Jason Hill, Actuarial Analyst jhill11@humana.com  
1100 Employers Blvd. 920-337-5488 [Phone]  
Green Bay, WI 54344

### Filing Company Information

Humana Insurance Company	CoCode: 73288	State of Domicile: Wisconsin
1100 Employers Boulevard	Group Code: 119	Company Type: Life & Health
Green Bay, WI 54344	Group Name:	State ID Number: CO
(800) 558-4444 ext. [Phone]	FEIN Number: 39-1263473	

## Filing Fees

Fee Required? No  
Retaliatory? No  
Fee Explanation:

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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
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## State Specific

Please enter state-specific code(s) found in Colorado's Filing Requirements Bulletins, or on the General Instructions page.

Please list all applicable state-specific codes. If no codes are applicable, please enter N/A.: 701

All rate and loss cost filing types MUST be submitted with completed Rate Data Fields in accordance with Sections 10-4-401 and 10-16-107 C.R.S. This requirement does not apply to form filing types. Rate and loss cost filings not including this data will be rejected. If this is a rate or loss cost filing, have these fields been completed?: YES

Have you completed the Forms Schedule Tab? ALL Life, Accident, and Health Rate and Form filing types require the Form Schedule Tab to be completed. In addition, all Form, Annual Form Certification, and Refund Calculation filing types require the Form Schedule Tab to be completed. The actual form must be attached to Form filing types only when filing: Medicare Supplement, Long-Term Care Partnership, Stop Loss, P&C Summary Disclosure Forms, and Workers Compensation. It is not necessary to submit the actual form for other lines of insurance. Thank you.: YES

**State:** Colorado      **Filing Company:** Humana Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO  
**Product Name:** HIC Small Group Medical Rate Filing\_2014.01  
**Project Name/Number:** HIC Small Group Medical Rate Filing\_2014.01/

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Nichole Boggess	08/13/2013	08/13/2013
Filed	Nichole Boggess	08/12/2013	08/12/2013
Rejected	Michael Muldoon	08/02/2013	08/02/2013

## Objection Letters and Response Letters

### Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Amy Filler	07/31/2013	07/31/2013
Pending Industry Response	Cathy Gilliland	07/30/2013	07/30/2013
Pending Industry Response	Cathy Gilliland	07/30/2013	07/30/2013
Pending Industry Response	Michael Muldoon	07/13/2013	07/13/2013
Pending Industry Response	Michael Muldoon	07/05/2013	07/05/2013
Pending Industry Response	Rachel Plummer	07/05/2013	07/05/2013

### Response Letters

Responded By	Created On	Date Submitted
Jason Hill	07/31/2013	07/31/2013
Jason Hill	07/31/2013	07/31/2013
Jason Hill	07/31/2013	07/31/2013
Jason Hill	07/15/2013	07/16/2013
Jason Hill	07/10/2013	07/15/2013
Jason Hill	07/10/2013	07/10/2013

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

## Objection Letters and Response Letters

### Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Cathy Gilliland	06/26/2013	06/26/2013
Pending Industry Response	Cathy Gilliland	06/19/2013	06/19/2013
Pending Industry Response	Rachel Plummer	06/14/2013	06/14/2013
Pending Industry Response	Cathy Gilliland	06/13/2013	06/13/2013
Pending Industry Response	Rachel Plummer	06/04/2013	06/04/2013
Pending Industry Response	Cathy Gilliland	05/28/2013	05/28/2013
Pending Industry Response	Cathy Gilliland	05/23/2013	05/23/2013

### Response Letters

Responded By	Created On	Date Submitted
Jason Hill	06/28/2013	06/28/2013
Jason Hill	06/19/2013	06/19/2013
Jason Hill	06/19/2013	06/19/2013
Jason Hill	06/13/2013	06/13/2013
Jason Hill	06/05/2013	06/05/2013
Jason Hill	06/03/2013	06/03/2013
Jason Hill	06/03/2013	06/03/2013

### Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Rate	HIC SB Rating Manual 2014.01	Jason Hill	08/06/2013	08/06/2013

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

## Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Actuarial Memorandum and Certifications	Jason Hill	08/06/2013	08/06/2013
Supporting Document	Unified Rate Review Template	Jason Hill	08/06/2013	08/06/2013
Supporting Document	Cover Letter	Jason Hill	08/06/2013	08/06/2013
Supporting Document	Actuarial Memorandum	Jason Hill	08/06/2013	08/06/2013
Supporting Document	Rating Sample	Jason Hill	08/06/2013	08/06/2013
Rate	HIC SB Rating Manual 2014.01	Jason Hill	07/30/2013	07/30/2013
Rate	HIC SB Rating Manual 2014.01	Jason Hill	07/22/2013	07/23/2013
Supporting Document	HR-1 Form (H)	Jason Hill	07/22/2013	07/23/2013
Supporting Document	Actuarial Memorandum	Jason Hill	07/22/2013	07/23/2013
Supporting Document	Rating Sample	Jason Hill	07/22/2013	07/23/2013
Supporting Document	Revision Reconciliation	Jason Hill	07/22/2013	07/23/2013

## Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Final disposition letter	Note To Filer	Nichole Boggess	08/13/2013	08/13/2013
Final CO HIC Letter	Note To Reviewer	Jason Hill	07/31/2013	07/31/2013
Outstanding Objections	Note To Reviewer	Jason Hill	07/19/2013	07/19/2013

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
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<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

## Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Have requested a meeting for Tuesday July 16th for Humana SG to explain all rating factor changes made in the filing.	Note To Filer	Michael Muldoon	07/13/2013	07/13/2013
Area factor detail support may be submitted confidentially	Note To Filer	Michael Muldoon	07/13/2013	07/13/2013
URRT	Note To Filer	Cathy Gilliland	05/23/2013	05/23/2013

<b>SERFF Tracking #:</b>	HUMA-129002825	<b>State Tracking #:</b>	278121	<b>Company Tracking #:</b>	
<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company		
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO				
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01				
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/				

## Disposition

Disposition Date: 08/13/2013

Implementation Date: 01/01/2014

Status: Filed

HHS Status: HHS Approved

State Review: Reviewed by Actuary

Comment: State Tracking #278121

Company: Humana Insurance Company

Product Line: Small Group PPO

### Rate Change Summary

Effective Date of New Rate Implementation: 1/1/2014 through 12/31/2014

This is a New ACA Compliant Filing for 2014, there is no rate change involved with this filing.

The purpose of this rate filing is to establish new product rates that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Affordable Care Act (ACA).

### Off Exchange Only Plans

Platinum: 0

Gold: 8

Silver: 26

Bronze: 7

### Final Rate Filing Disposition

The Division has filed the rates in their final form after all adjustments.

See attached letter for additional details regarding this rate filing.

<b>Company</b>	<b>Company</b>	<b>Overall %</b>	<b>Overall %</b>	<b>Written</b>	<b># of Policy</b>	<b>Written</b>	<b>Maximum %</b>	<b>Minimum %</b>
<b>Name:</b>	<b>Rate</b>	<b>Indicated</b>	<b>Rate</b>	<b>Premium</b>	<b>Holders Affected</b>	<b>Premium for</b>	<b>Change</b>	<b>Change</b>
	<b>Change:</b>	<b>Change:</b>	<b>Impact:</b>	<b>Change for</b>	<b>for this Program:</b>	<b>this Program:</b>	<b>(where req'd):</b>	<b>(where req'd):</b>
				<b>this Program:</b>				



<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Humana Insurance Company	New Product	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%
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**Percent Change Approved:**

**Minimum:** 0.000%

**Maximum:** 0.000%

**Weighted Average:** 0.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	HR-1 Form (H)		Yes
Supporting Document	HR-1 Form (H)		Yes
Supporting Document	HR-1 Form (H)		Yes
Supporting Document	Consumer Disclosure Form		Yes
Supporting Document (revised)	Actuarial Memorandum and Certifications		Yes
Supporting Document	Actuarial Memorandum and Certifications		Yes
Supporting Document	Actuarial Memorandum and Certifications		Yes
Supporting Document	Actuarial Memorandum and Certifications		Yes
Supporting Document	Actuarial Memorandum and Certifications		Yes
Supporting Document (revised)	Unified Rate Review Template		Yes
Supporting Document	Unified Rate Review Template		Yes
Supporting Document	Unified Rate Review Template		Yes
Supporting Document	Unified Rate Review Template		Yes
Supporting Document	Unified Rate Review Template		Yes
Supporting Document (revised)	Cover Letter		Yes
Supporting Document	Cover Letter		Yes
Supporting Document	Confidential Experience by MSA Exhibit		No

State: Colorado Filing Company: Humana Insurance Company  
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO  
 Product Name: HIC Small Group Medical Rate Filing\_2014.01  
 Project Name/Number: HIC Small Group Medical Rate Filing\_2014.01/

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Rate Review Detail Documentation		Yes
Supporting Document	Sample Colorado Health Benefit Plan Description Form		Yes
Supporting Document (revised)	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Confidential Exhibit II		No
Supporting Document (revised)	Rating Sample		Yes
Supporting Document	Rating Sample		Yes
Supporting Document	Rating Sample		Yes
Supporting Document	Rating Sample		Yes
Supporting Document	Rating Sample		Yes
Supporting Document	Carrier Attestation		Yes
Supporting Document	Confidential Exhibit III		No
Supporting Document	Revision Reconciliation		No
Form (revised)	PPO Policy		Yes
Form	CC2003-P		Yes
Form (revised)	PPO Certificate		Yes
Form	CC2003-C		Yes

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
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<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Schedule	Schedule Item	Schedule Item Status	Public Access
Form (revised)	PPO Mandated Policy		Yes
Form	CO CC2003M-P		Yes
Form (revised)	PPO Mandated Certificate		Yes
Form	CO CC2003M-C		Yes
Form (revised)	PPO Mandated Conversion Contract		Yes
Form	CO CONV INDV		Yes
Form (revised)	Supplemental Accident Rider		Yes
Form	SAR		Yes
Form (revised)	Vision Care Rider		Yes
Form	VIS		Yes
Form (revised)	Prescription Drug Benefit [Rider]		Yes
Form	RX		Yes
Form (revised)	24-Hour Coverage Benefit [Rider]		Yes
Form	24HR		Yes
Rate (revised)	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes

## Final Disposition Letter

State Tracking #278121

Company: Humana Insurance Company

Product Line: Small Group PPO

### **Rate Change Summary**

Effective Date of New Rate Implementation: 1/1/2014 through 12/31/2014

This is a New ACA Compliant Filing for 2014, there is no rate change involved with this filing.

The purpose of this rate filing is to establish new product rates that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Affordable Care Act (ACA).

Off Exchange Only Plans

Platinum: 0

Gold: 8

Silver: 26

Bronze: 7

### **Rate Methodology**

Experience Used for Rate Setting: Colorado SG PPO and HMO 2012 experience. Humana SG PPO was not large enough to be fully credible by itself.

2012 Experience Period Loss Ratio:

HIC SG PPO experienced an 80.3% loss ratio on an average of 342 enrolled members with \$1.98 Million in premium (\$485.01 pmpm). This data was deemed to be 41.2% credible. Humana HMO SG experience was used for the remaining credibility.

Annual Health Cost Trends: 7.0% trend.

Risk Adjustment: -3.0% (payments expected from the federal Risk Adjustment Program in 2014).

Smoking Factor: 0% higher rates for smokers at all ages.

Age Rating: 3.0 to 1.0 age rating factor limits for all adults age 21 and over.

\* Federal Reported 2014 Comparable Average Premium: \$381.48.

## Final Disposition Letter

\* This is reported on the issuer's CMS URRT Form submitted in HIOS. It represents a standardized average premium calculation that is used by CMS for comparing and gauging premium development. It is not necessarily the actual average premium, which is shown in the line above as Colorado 2014 Overall Average Premium.

### **Premium Retained to Cover Expenses, Taxes Fees and Profits**

Administrative costs: Expenses the insurance company pays to operate this insurance plan. This includes all expenses not directly related to paying claims, such as, but not limited to, salaries of company employees, the cost of the company's offices and equipment, commissions to agents to sell and service policies, subsidies to cover legally required plans such as portability, and taxes.

Profit: The amount of money remaining after claims and administrative expenses are paid. Margin is the comparable term for a nonprofit insurance company.

Average premium retention is 20.0% shown as follows:

<u>Issuer Primary Expense and Profit Retention</u>		% of Premium <u>Retained</u>
	Administrative Expenses:	8.11%
	Commissions:	5.30%
	Profit and Contingencies:	2.20%
	Investment Income:	0.00%
(A)	Total:	15.61%
<u>Retention for Additional Required Taxes, Fees and Assessments</u>		
	PPACA Fees:	3.95%
	Premium Taxes:	0.00%
	Other Fees, Assessments, Taxes:	0.44%
(B)	Total:	4.39%
<u>Additional Allowed for QI &amp; Member Welfare Section</u>		
	Quality Improvement:	0.00%
	Community Charitable:	

## Final Disposition Letter

IT for ICD-10 Conversion (max allowed 0.3%):

(C) Total: 0.00%

(D) Total Premium Retention For All Purposes (A + B + C): 20.00%

(E) Colorado Conventional Loss Ratio (100% - D): 80.00%

Federal MLR Loss Ratio Basis: (E + C) / (100% - B - FIT): 83.67%

### Sample of Final Premium Levels

				Rating Area 1				Rating Area 2				Rating Area 3			
				21		64		21		64		21		64	
Company	Level of Coverage*	Network Name*	Plan Type*	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
Humana Insurance Company	Gold	Humana ChoiceCare Network PPO	PPO	\$353.41	\$477.13	\$1,060.21	\$1,431.38	\$326.12	\$437.54	\$978.34	\$1,312.61	\$331.94	\$441.96	\$995.81	\$1,325.86
	Silver	Humana ChoiceCare Network PPO	Indemnity	\$479.30	\$479.30	\$1,437.88	\$1,437.88	\$438.03	\$438.03	\$1,314.06	\$1,314.06	\$440.57	\$440.57	\$1,321.69	\$1,321.69
			PPO	\$247.42	\$397.31	\$742.23	\$1,191.91	\$228.34	\$364.61	\$685.01	\$1,093.80	\$232.46	\$368.61	\$697.36	\$1,105.82
	Bronze	Humana ChoiceCare Network PPO	PPO	\$234.02	\$286.21	\$702.03	\$858.62	\$216.47	\$257.77	\$649.40	\$773.28	\$216.91	\$254.51	\$650.72	\$763.50

				Rating Area 4				Rating Area 5				Rating Area 7			
				21		64		21		64		21		64	
Company	Level of Coverage*	Network Name*	Plan Type*	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
Humana Insurance Company	Gold	Humana ChoiceCare Network PPO	PPO	\$577.42	\$781.02	\$1,732.24	\$2,343.03	\$577.42	\$781.02	\$1,732.24	\$2,343.03	\$577.42	\$781.02	\$1,732.24	\$2,343.03
	Silver	Humana ChoiceCare Network PPO	Indemnity	\$785.36	\$785.36	\$2,356.07	\$2,356.07	\$785.36	\$785.36	\$2,356.07	\$2,356.07	\$785.36	\$785.36	\$2,356.07	\$2,356.07
			PPO	\$404.23	\$650.22	\$1,212.66	\$1,950.64	\$404.23	\$650.22	\$1,212.66	\$1,950.64	\$404.23	\$650.22	\$1,212.66	\$1,950.64
	Bronze	Humana ChoiceCare Network PPO	PPO	\$382.07	\$471.00	\$1,146.18	\$1,412.97	\$382.07	\$471.00	\$1,146.18	\$1,412.97	\$382.07	\$471.00	\$1,146.18	\$1,412.97

**Division Objections and Rate Changes During the Review Process**

The Division objects to the incorrect rates being used in the rate manual. The Division objects to incorrect rates submitted in the rate data template. The Division directed Humana to use the original medical and pharmacy area factors that were submitted in the filing on May 15, 2013. The Division objected to several area factor adjustments that were made following the initial rate filing without approval from the Division for Humana to make adjustments. Humana also did not provide actuarial support for the new area factors submitted past the May 15<sup>th</sup> deadline for submitting rate filings. Humana agreed to remove those adjustments, however they have not been correctly removed from the final rate manual submitted. Rates entered in the rate data template do not match to the correct rates that should be quoted in the market.

The Division objected to Humana attempting to add a composite rating method into the rate manual on July 23<sup>rd</sup>. This method is not allowable under ACA rate regulations, and Humana did not discuss the addition of this method into the rate manual with the Division prior to adding it. The Division directed Humana to remove their composite rating method.

The Division objected to the use of rider rates in the rate manual for a carry-over-credit with an additional 3.4% cost optional to groups who selected it. Humana agreed to remove that benefit as a rider and include as an embedded benefit for a subset of their plans at a cost addition of 0.56%.

The Division objected to the use of an optional contraceptive benefit rider in the rate manual. Humana agreed to remove this optional benefit.

The Division objected to the Index calculation risk adjustment factor of -6.8% that Humana built into their rates assuming that their average member health status would be worse than the small employer insured population in 2014. The Division limited the use of this factor for established small employer issuers to be no more than a 3% reduction in the Index rate development in anticipation of receiving offsetting risk adjustment payments from the risk adjustment program. In their final URRT development Humana shows this as an adjustment of \$11.71 which is a 3.6% claim adjustment in the 2014 Index rate development, or 3.0% of 2014 premium.

**Final Rate Filing Disposition**

The Division has filed the rates in their final form after all adjustments.

<b>SERFF Tracking #:</b>	<i>HUMA-129002825</i>	<b>State Tracking #:</b>	<i>278121</i>	<b>Company Tracking #:</b>	
<b>State:</b>	<i>Colorado</i>	<b>Filing Company:</b>	<i>Humana Insurance Company</i>		
<b>TOI/Sub-TOI:</b>	<i>H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO</i>				
<b>Product Name:</b>	<i>HIC Small Group Medical Rate Filing_2014.01</i>				
<b>Project Name/Number:</b>	<i>HIC Small Group Medical Rate Filing_2014.01/</i>				

## Disposition

Disposition Date: 08/12/2013

Implementation Date: 01/01/2014

Status: Filed

HHS Status: HHS Approved

State Review: Reviewed by Actuary

Comment: State Tracking #278121

Company: Humana Insurance Company

Product Line: Small Group PPO

### Rate Change Summary

Effective Date of New Rate Implementation: 1/1/2014 through 12/31/2014

This is a New ACA Compliant Filing for 2014, there is no rate change involved with this filing.

The purpose of this rate filing is to establish new product rates that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Affordable Care Act (ACA).

### Off Exchange Only Plans

Platinum: 0

Gold: 8

Silver: 26

Bronze:7

### Final Rate Filing Disposition

The Division has filed the rates in their final form after all adjustments.

See attached document for more information on this filing.

<b>Company</b>	<b>Company</b>	<b>Overall %</b>	<b>Overall %</b>	<b>Written</b>	<b># of Policy</b>	<b>Written</b>	<b>Maximum %</b>	<b>Minimum %</b>
<b>Name:</b>	<b>Rate</b>	<b>Indicated</b>	<b>Rate</b>	<b>Premium</b>	<b>Holders Affected</b>	<b>Premium for</b>	<b>Change</b>	<b>Change</b>
	<b>Change:</b>	<b>Change:</b>	<b>Impact:</b>	<b>Change for</b>	<b>for this Program:</b>	<b>this Program:</b>	<b>(where req'd):</b>	<b>(where req'd):</b>
				<b>this Program:</b>				



<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
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<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Humana Insurance Company	New Product	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%
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**Percent Change Approved:**

**Minimum:** 0.000%

**Maximum:** 0.000%

**Weighted Average:** 0.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	HR-1 Form (H)		Yes
Supporting Document	HR-1 Form (H)		Yes
Supporting Document	HR-1 Form (H)		Yes
Supporting Document	Consumer Disclosure Form		Yes
Supporting Document (revised)	Actuarial Memorandum and Certifications		Yes
Supporting Document	Actuarial Memorandum and Certifications		Yes
Supporting Document	Actuarial Memorandum and Certifications		Yes
Supporting Document	Actuarial Memorandum and Certifications		Yes
Supporting Document	Actuarial Memorandum and Certifications		Yes
Supporting Document (revised)	Unified Rate Review Template		Yes
Supporting Document	Unified Rate Review Template		Yes
Supporting Document	Unified Rate Review Template		Yes
Supporting Document	Unified Rate Review Template		Yes
Supporting Document	Unified Rate Review Template		Yes
Supporting Document (revised)	Cover Letter		Yes
Supporting Document	Cover Letter		Yes
Supporting Document	Confidential Experience by MSA Exhibit		No

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Rate Review Detail Documentation		Yes
Supporting Document	Sample Colorado Health Benefit Plan Description Form		Yes
Supporting Document (revised)	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Confidential Exhibit II		No
Supporting Document (revised)	Rating Sample		Yes
Supporting Document	Rating Sample		Yes
Supporting Document	Rating Sample		Yes
Supporting Document	Rating Sample		Yes
Supporting Document	Rating Sample		Yes
Supporting Document	Carrier Attestation		Yes
Supporting Document	Confidential Exhibit III		No
Supporting Document	Revision Reconciliation		No
Form (revised)	PPO Policy		Yes
Form	CC2003-P		Yes
Form (revised)	PPO Certificate		Yes
Form	CC2003-C		Yes

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Schedule	Schedule Item	Schedule Item Status	Public Access
Form (revised)	PPO Mandated Policy		Yes
Form	CO CC2003M-P		Yes
Form (revised)	PPO Mandated Certificate		Yes
Form	CO CC2003M-C		Yes
Form (revised)	PPO Mandated Conversion Contract		Yes
Form	CO CONV INDV		Yes
Form (revised)	Supplemental Accident Rider		Yes
Form	SAR		Yes
Form (revised)	Vision Care Rider		Yes
Form	VIS		Yes
Form (revised)	Prescription Drug Benefit [Rider]		Yes
Form	RX		Yes
Form (revised)	24-Hour Coverage Benefit [Rider]		Yes
Form	24HR		Yes
Rate (revised)	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes

## Final Disposition Letter

State Tracking #278121

Company: Humana Insurance Company

Product Line: Small Group PPO

### **Rate Change Summary**

Effective Date of New Rate Implementation: 1/1/2014 through 12/31/2014

This is a New ACA Compliant Filing for 2014, there is no rate change involved with this filing.

The purpose of this rate filing is to establish new product rates that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Affordable Care Act (ACA).

Off Exchange Only Plans

Platinum: 0

Gold: 8

Silver: 26

Bronze: 7

### **Rate Methodology**

Experience Used for Rate Setting: Colorado SG PPO and HMO 2012 experience. Humana SG PPO was not large enough to be fully credible by itself.

2012 Experience Period Loss Ratio:

HIC SG PPO experienced an 80.3% loss ratio on an average of 342 enrolled members with \$1.98 Million in premium (\$485.01 pmpm). This data was deemed to be 41.2% credible. Humana HMO SG experience was used for the remaining credibility.

Annual Health Cost Trends: 7.0% trend.

Risk Adjustment: -3.0% (payments expected from the federal Risk Adjustment Program in 2014).

Smoking Factor: 0% higher rates for smokers at all ages.

Age Rating: 3.0 to 1.0 age rating factor limits for all adults age 21 and over.

\* Federal Reported 2014 Comparable Average Premium: \$381.48.

## Final Disposition Letter

\* This is reported on the issuer's CMS URRT Form submitted in HIOS. It represents a standardized average premium calculation that is used by CMS for comparing and gauging premium development. It is not necessarily the actual average premium, which is shown in the line above as Colorado 2014 Overall Average Premium.

### **Premium Retained to Cover Expenses, Taxes Fees and Profits**

Administrative costs: Expenses the insurance company pays to operate this insurance plan. This includes all expenses not directly related to paying claims, such as, but not limited to, salaries of company employees, the cost of the company's offices and equipment, commissions to agents to sell and service policies, subsidies to cover legally required plans such as portability, and taxes.

Profit: The amount of money remaining after claims and administrative expenses are paid. Margin is the comparable term for a nonprofit insurance company.

Average premium retention is 20.0% shown as follows:

<u>Issuer Primary Expense and Profit Retention</u>		% of Premium <u>Retained</u>
	Administrative Expenses:	8.11%
	Commissions:	5.30%
	Profit and Contingencies:	2.20%
	Investment Income:	0.00%
(A)	Total:	15.61%
<u>Retention for Additional Required Taxes, Fees and Assessments</u>		
	PPACA Fees:	3.95%
	Premium Taxes:	0.00%
	Other Fees, Assessments, Taxes:	0.44%
(B)	Total:	4.39%
<u>Additional Allowed for QI &amp; Member Welfare Section</u>		
	Quality Improvement:	0.00%
	Community Charitable:	

## Final Disposition Letter

IT for ICD-10 Conversion (max allowed 0.3%):

(C) Total: 0.00%

(D) Total Premium Retention For All Purposes (A + B + C): 20.00%

(E) Colorado Conventional Loss Ratio (100% - D): 80.00%

Federal MLR Loss Ratio Basis: (E + C) / (100% - B - FIT): 83.67%

### Sample of Final Premium Levels

				Rating Area 1				Rating Area 2				Rating Area 3			
				21		64		21		64		21		64	
Company	Level of Coverage*	Network Name*	Plan Type*	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
Humana Insurance Company	Gold	Humana ChoiceCare Network PPO	PPO	\$353.41	\$477.13	\$1,060.21	\$1,431.38	\$326.12	\$437.54	\$978.34	\$1,312.61	\$331.94	\$441.96	\$995.81	\$1,325.86
	Silver	Humana ChoiceCare Network PPO	Indemnity	\$479.30	\$479.30	\$1,437.88	\$1,437.88	\$438.03	\$438.03	\$1,314.06	\$1,314.06	\$440.57	\$440.57	\$1,321.69	\$1,321.69
			PPO	\$247.42	\$397.31	\$742.23	\$1,191.91	\$228.34	\$364.61	\$685.01	\$1,093.80	\$232.46	\$368.61	\$697.36	\$1,105.82
	Bronze	Humana ChoiceCare Network PPO	PPO	\$234.02	\$286.21	\$702.03	\$858.62	\$216.47	\$257.77	\$649.40	\$773.28	\$216.91	\$254.51	\$650.72	\$763.50

				Rating Area 4				Rating Area 5				Rating Area 7			
				21		64		21		64		21		64	
Company	Level of Coverage*	Network Name*	Plan Type*	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
Humana Insurance Company	Gold	Humana ChoiceCare Network PPO	PPO	\$577.42	\$781.02	\$1,732.24	\$2,343.03	\$577.42	\$781.02	\$1,732.24	\$2,343.03	\$577.42	\$781.02	\$1,732.24	\$2,343.03
	Silver	Humana ChoiceCare Network PPO	Indemnity	\$785.36	\$785.36	\$2,356.07	\$2,356.07	\$785.36	\$785.36	\$2,356.07	\$2,356.07	\$785.36	\$785.36	\$2,356.07	\$2,356.07
			PPO	\$404.23	\$650.22	\$1,212.66	\$1,950.64	\$404.23	\$650.22	\$1,212.66	\$1,950.64	\$404.23	\$650.22	\$1,212.66	\$1,950.64
	Bronze	Humana ChoiceCare Network PPO	PPO	\$382.07	\$471.00	\$1,146.18	\$1,412.97	\$382.07	\$471.00	\$1,146.18	\$1,412.97	\$382.07	\$471.00	\$1,146.18	\$1,412.97

**Division Objections and Rate Changes During the Review Process**

The Division objects to the incorrect rates being used in the rate manual. The Division objects to incorrect rates submitted in the rate data template. The Division directed Humana to use the original medical and pharmacy area factors that were submitted in the filing on May 15, 2013. The Division objected to several area factor adjustments that were made following the initial rate filing without approval from the Division for Humana to make adjustments. Humana also did not provide actuarial support for the new area factors submitted past the May 15<sup>th</sup> deadline for submitting rate filings. Humana agreed to remove those adjustments, however they have not been correctly removed from the final rate manual submitted. Rates entered in the rate data template do not match to the correct rates that should be quoted in the market.

The Division objected to Humana attempting to add a composite rating method into the rate manual on July 23<sup>rd</sup>. This method is not allowable under ACA rate regulations, and Humana did not discuss the addition of this method into the rate manual with the Division prior to adding it. The Division directed Humana to remove their composite rating method.

The Division objected to the use of rider rates in the rate manual for a carry-over-credit with an additional 3.4% cost optional to groups who selected it. Humana agreed to remove that benefit as a rider and include as an embedded benefit for a subset of their plans at a cost addition of 0.56%.

The Division objected to the use of an optional contraceptive benefit rider in the rate manual. Humana agreed to remove this optional benefit.

The Division objected to the Index calculation risk adjustment factor of -6.8% that Humana built into their rates assuming that their average member health status would be worse than the small employer insured population in 2014. The Division limited the use of this factor for established small employer issuers to be no more than a 3% reduction in the Index rate development in anticipation of receiving offsetting risk adjustment payments from the risk adjustment program. In their final URRT development Humana still shows this as an adjustment of \$18.54 which is a 5.7% claim adjustment in the 2014 Index rate development, or 4.7% of 2014 premium.

**Final Rate Filing Disposition**

The Division has filed the rates in their final form after all adjustments.

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

## Disposition

Disposition Date: 08/02/2013  
 Implementation Date: 08/02/2013  
 Status: Rejected

HHS Status: HHS Denied  
 State Review: Reviewed by Actuary

Comment: State Tracking #278121  
 Company: Humana Insurance Company  
 Product Line: Small Group PPO

Rate Change Summary  
 Effective Date of New Rate Implementation: 1/1/2014 through 12/31/2014  
 This is a New ACA Compliant Filing for 2014, there is no rate change involved with this filing.

The purpose of this rate filing is to establish new product rates that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Affordable Care Act (ACA).

Off Exchange Only Plans  
 Platinum: 0  
 Gold: 8  
 Silver: 26  
 Bronze:7

<b>Company Name:</b>	<b>Company Rate Change:</b>	<b>Overall % Indicated Change:</b>	<b>Overall % Rate Impact:</b>	<b>Written Premium Change for this Program:</b>	<b># of Policy Holders Affected for this Program:</b>	<b>Written Premium for this Program:</b>	<b>Maximum % Change (where req'd):</b>	<b>Minimum % Change (where req'd):</b>
Humana Insurance Company	New Product	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%



<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

**Percent Change Approved:**

**Minimum:** %

**Maximum:** %

**Weighted Average:** %

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	HR-1 Form (H)		Yes
Supporting Document	HR-1 Form (H)		Yes
Supporting Document	HR-1 Form (H)		Yes
Supporting Document	Consumer Disclosure Form		Yes
Supporting Document (revised)	Actuarial Memorandum and Certifications		Yes
Supporting Document	Actuarial Memorandum and Certifications		Yes
Supporting Document	Actuarial Memorandum and Certifications		Yes
Supporting Document	Actuarial Memorandum and Certifications		Yes
Supporting Document	Actuarial Memorandum and Certifications		Yes
Supporting Document (revised)	Unified Rate Review Template		Yes
Supporting Document	Unified Rate Review Template		Yes
Supporting Document	Unified Rate Review Template		Yes
Supporting Document	Unified Rate Review Template		Yes
Supporting Document	Unified Rate Review Template		Yes
Supporting Document (revised)	Cover Letter		Yes
Supporting Document	Cover Letter		Yes
Supporting Document	Confidential Experience by MSA Exhibit		No
Supporting Document	Rate Review Detail Documentation		Yes
Supporting Document	Sample Colorado Health Benefit Plan Description Form		Yes

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Confidential Exhibit II		No
Supporting Document (revised)	Rating Sample		Yes
Supporting Document	Rating Sample		Yes
Supporting Document	Rating Sample		Yes
Supporting Document	Rating Sample		Yes
Supporting Document	Rating Sample		Yes
Supporting Document	Carrier Attestation		Yes
Supporting Document	Confidential Exhibit III		No
Supporting Document	Revision Reconciliation		No
Form (revised)	PPO Policy		Yes
Form	CC2003-P		Yes
Form (revised)	PPO Certificate		Yes
Form	CC2003-C		Yes
Form (revised)	PPO Mandated Policy		Yes
Form	CO CC2003M-P		Yes

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Schedule	Schedule Item	Schedule Item Status	Public Access
Form (revised)	PPO Mandated Certificate		Yes
Form	CO CC2003M-C		Yes
Form (revised)	PPO Mandated Conversion Contract		Yes
Form	CO CONV INDV		Yes
Form (revised)	Supplemental Accident Rider		Yes
Form	SAR		Yes
Form (revised)	Vision Care Rider		Yes
Form	VIS		Yes
Form (revised)	Prescription Drug Benefit [Rider]		Yes
Form	RX		Yes
Form (revised)	24-Hour Coverage Benefit [Rider]		Yes
Form	24HR		Yes
Rate (revised)	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes
Rate	HIC SB Rating Manual 2014.01		Yes

## Final Disposition Letter

State Tracking #278121  
Company: Humana Insurance Company  
Product Line: Small Group PPO

### **Rate Change Summary**

Effective Date of New Rate Implementation: 1/1/2014 through 12/31/2014  
This is a New ACA Compliant Filing for 2014, there is no rate change involved with this filing.

The purpose of this rate filing is to establish new product rates that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Affordable Care Act (ACA).

Off Exchange Only Plans  
Platinum: 0  
Gold: 8  
Silver: 26  
Bronze: 7

### **Rate Methodology**

Experience Used for Rate Setting: Colorado SG PPO and HMO 2012 experience. Humana SG PPO was not large enough to be fully credible by itself.

2012 Experience Period Loss Ratio:  
HIC SG PPO experienced an 80.3% loss ratio on an average of 342 enrolled members with \$1.98 Million in premium (\$485.01 pmpm). This data was deemed to be 41.2% credible. Humana HMO SG experience was used for the remaining credibility.

Annual Health Cost Trends: 7.0% trend.

Risk Adjustment: -3.0% (payments expected from the federal Risk Adjustment Program in 2014).

Smoking Factor: 0% higher rates for smokers at all ages.

Age Rating: 3.0 to 1.0 age rating factor limits for all adults age 21 and over.

\* Federal Reported 2014 Comparable Average Premium: \$381.48.

\* This is reported on the issuer's CMS URRT Form submitted in HIOS. It represents a standardized average premium calculation that is used by CMS for comparing and gauging premium development. It is not necessarily the actual average premium, which is shown in the line above as Colorado 2014 Overall Average Premium.

### **Premium Retained to Cover Expenses, Taxes Fees and Profits**

Administrative costs: Expenses the insurance company pays to operate this insurance plan. This includes all expenses not directly related to paying claims, such as, but not limited to, salaries of company employees, the cost of the company's offices and equipment, commissions to agents to sell and service policies, subsidies to cover legally required plans such as portability, and taxes.

Profit: The amount of money remaining after claims and administrative expenses are paid. Margin is the comparable term for a nonprofit insurance company.

## Final Disposition Letter

Average premium retention is 20.0% shown as follows:

		% of Premium
<u>Issuer Primary Expense and Profit Retention</u>		<u>Retained</u>
Administrative Expenses:		8.11%
Commissions:		5.30%
Profit and Contingencies:		2.20%
Investment Income:		0.00%
(A)	Total:	15.61%
<u>Retention for Additional Required Taxes, Fees and Assessments</u>		
PPACA Fees:		3.95%
Premium Taxes:		0.00%
Other Fees, Assessments, Taxes:		0.44%
(B)	Total:	4.39%
<u>Additional Allowed for QI &amp; Member Welfare Section</u>		
Quality Improvement:		0.00%
Community Charitable:		
IT for ICD-10 Conversion (max allowed 0.3%):		
(C)	Total:	0.00%
(D)	Total Premium Retention For All Purposes (A + B + C):	20.00%
(E)	Colorado Conventional Loss Ratio (100% - D):	80.00%
Federal MLR Loss Ratio Basis: (E + C) / (100% - B - FIT):		83.67%

## Sample of Final Premium Levels

Level of Coverage*	Denver				Fort Collins			
	21 yr old		64 yr old		21 yr old		64 yr old	
	Min	Max	Min	Max	Min	Max	Min	Max
Gold	\$285.62	\$379.26	\$856.83	\$1,137.77	\$499.90	\$675.29	\$1,499.67	\$2,025.85
Silver	\$200.10	\$393.18	\$600.29	\$1,179.53	\$350.11	\$707.94	\$1,050.30	\$2,123.80
Bronze	\$184.36	\$218.38	\$553.05	\$655.13	\$331.48	\$409.03	\$994.41	\$1,227.07

Level of Coverage*	Grand Junction				Pueblo			
	21 yr old		64 yr old		21 yr old		64 yr old	
	Min	Max	Min	Max	Min	Max	Min	Max
Gold	\$499.90	\$675.29	\$1,499.67	\$2,025.85	\$499.90	\$675.29	\$1,499.67	\$2,025.85
Silver	\$350.11	\$707.94	\$1,050.30	\$2,123.80	\$350.11	\$707.94	\$1,050.30	\$2,123.80
Bronze	\$331.48	\$409.03	\$994.41	\$1,227.07	\$331.48	\$409.03	\$994.41	\$1,227.07

### **Division Objections and Rate Changes During the Review Process**

The Division objects to the incorrect rates being used in the rate manual. The Division objects to incorrect rates submitted in the rate data template. The Division directed Humana to use the original medical and pharmacy area factors that were submitted in the filing on May 15, 2013. The Division objected to several area factor adjustments that were made following the initial rate filing without approval from the Division for Humana to make adjustments. Humana also did not provide actuarial support for the new area factors submitted past the May 15<sup>th</sup> deadline for submitting rate filings. Humana agreed to remove those adjustments, however they have not been correctly removed from the final rate manual submitted. Rates entered in the rate data template do not match to the correct rates that should be quoted in the market.

The Division objected to Humana attempting to add a composite rating method into the rate manual on July 23<sup>rd</sup>. This method is not allowable under ACA rate regulations, and Humana did not discuss the addition of this method into the rate manual with the Division prior to adding it. The Division directed Humana to remove their composite rating method.

The Division objected to the use of rider rates in the rate manual for a carry-over-credit with an additional 3.4% cost optional to groups who selected it. Humana agreed to remove that benefit as a rider and include as an embedded benefit for a subset of their plans at a cost addition of 0.56%.

The Division objected to the use of an optional contraceptive benefit rider in the rate manual. Humana agreed to remove this optional benefit.

The Division objected to the Index calculation risk adjustment factor of -6.8% that Humana built into their rates assuming that their average member health status would be worse than the small employer insured population in 2014. The Division limited the use of this factor for established small employer issuers to be no more than a 3% reduction in the Index rate development in anticipation of receiving offsetting risk adjustment payments from the risk adjustment program. In their final URRT development Humana still shows this as an adjustment of \$18.54 which is a 5.7% claim adjustment in the 2014 Index rate development, or 4.7% of 2014 premium.

### **Final Rate Filing Disposition**

The Division has rejected this filing for disallowed changes made to rates following the initial rate filing submission that have not been fully corrected, and incorrect rates being loaded into the rate data template.

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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/31/2013
Submitted Date	07/31/2013
Respond By Date	07/31/2013

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Dear Jason Hill,

### Introduction:

*This filing has been received, but before further action can be taken, please address the following:*

### Objection 1

- HIC SB Rating Manual 2014.01, [] (Rate)

*Comments: From your first rate manual to your last, you added information about composite rating, which is not allowed.*

### Objection 2

- HIC SB Rating Manual 2014.01, [] (Rate)

*Comments: We are still unable to match what you have in your rate manual to your Rate Data Template. Additionally, you need to remove the reference to riders in your rate manual.*

### Objection 3

- Unified Rate Review Template (Supporting Document)

*Comments: Your most recent URRT needs to be uploaded to HIOS.*

### Conclusion:

*If any of the requested rate information results in changes to the filing forms (HR-1 or A, B, C or D), please also submit revised forms.*

*Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by today, 7/31/2013.*

*Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.*

Sincerely,

Amy Filler

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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/30/2013
Submitted Date	07/30/2013
Respond By Date	07/30/2013

---

Dear Jason Hill,

**Introduction:**

*This filing has been received, but before further action can be taken, please address the following:*

**Conclusion:**

*Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 07/30/2013, which is within 0 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 07/30/2013.*

*The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.*

*Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.*

Sincerely,

Cathy Gilliland



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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/30/2013
Submitted Date	07/30/2013
Respond By Date	07/30/2013

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Dear Jason Hill,

### **Introduction:**

*This filing has been received, but before further action can be taken, please address the following:*

### **Objection 1**

*Comments: Please revise your URRT to reflect the risk adjustment of (-3.0%) on the part 3 Actuarial Memorandum*

### **Conclusion:**

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*Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 07/30/2013, which is within 0 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 07/30/2013.*

*The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.*

*Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.*

Sincerely,

Cathy Gilliland

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**State:** Colorado **Filing Company:** Humana Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO  
**Product Name:** HIC Small Group Medical Rate Filing\_2014.01  
**Project Name/Number:** HIC Small Group Medical Rate Filing\_2014.01/

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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/13/2013
Submitted Date	07/13/2013
Respond By Date	07/18/2013

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Dear Jason Hill,

**Introduction:**

*This filing has been received, but before further action can be taken, please address the following:*

**Objection 1**

- Actuarial Memorandum and Certifications (Supporting Document)
- Confidential Experience by MSA Exhibit (Supporting Document)
- HIC SB Rating Manual 2014.01, [] (Rate)

*Comments: Please provide the actuarial support and data demonstrating how the final area factors for areas 4 through 11 were set. The MSA experience exhibit provided does not contain credible levels of experience for setting factors directly for those areas.*

*Medical: 2.2457 is 1.71 times higher than the Denver area cost factor of 1.307.*

*Pharma: 2.1128 is 1.40 times higher than the Denver area cost factor of 1.5079*

*Combined Medical and Pharmacy factor for areas 4 through 11 appears to be roughly 1.65 times higher than the combined Denver factor.*

**Conclusion:**

*If any of the requested rate information results in changes to the filing forms (HR-1 or A, B, C or D), please also submit revised forms.*

*Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 07/18/2013, which is within 5 calendar days from the date of this correspondence.*

*Failure to provide a full or complete response will result in the rate filing being DISAPPROVED on the basis that the rate filing is incomplete, pursuant to §10-16-107(1.6)(a)(V), C.R.S. Proposed rates may not be used in any manner until an adequate response to this objection has been received and the above referenced rate filing has been approved by the Division.*

Sincerely,

Michael Muldoon

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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/05/2013
Submitted Date	07/05/2013
Respond By Date	07/15/2013

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Dear Jason Hill,

### Introduction:

*This filing has been received, but before further action can be taken, please address the following:*

### Objection 1

- Actuarial Memorandum and Certifications (Supporting Document)
- Unified Rate Review Template (Supporting Document)
- Actuarial Memorandum (Supporting Document)

*Comments: This objection is in regards to the optional Carry Over Credit benefit with an additional 3.4% rate load indicated in the Rate Manual.*

*This 3.4% rate load for a Carry Over Benefit is not supported in the rate filing. The Division does not approve this benefit rating factor due to lack of support.*

*Please provide a full description of how this benefit works in the Actuarial Memorandum, and full support for how the 3.4% rate load was determined.*

*Plans that add this optional Carry Over Credit would need to be reflected as unique additional plans in the URRT, with their own pricing benefit value, and Actuarial value in the URRT section II spreadsheet.*

*All unique benefit plan designs must be included in the rate data template with their unique rates.*

*Any plan which has added this Carry Over Credit with an additional 3.4% rate load must be included in the rate data template as a separate plan and rate from the original plan without the benefit.*

*Please indicate how these plans containing this optional benefit are being accounted for in all applicable templates in the binder.*

### Conclusion:

*If any of the requested rate information results in changes to the filing forms (HR-1 or A, B, C or D), please also submit revised forms.*

*Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 07/15/2013, which is within 10 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 07/15/2013.*

*The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.*

*Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-*

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

1-215 and other fining and penalty provisions of Title 10.

Sincerely,

Michael Muldoon

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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/05/2013
Submitted Date	07/05/2013
Respond By Date	07/11/2013

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Dear Jason Hill,

### Introduction:

*This filing has been received, but before further action can be taken, please address the following:*

### Objection 1

*Comments: Please provide a new rate manual in the following format:*

*Base Premium = (Age Factor) \* (Plan Benefit Factor) \* (Network Factor) \* (Area Factor) \* (Tobacco Factor) \* (Any other factors built into the rate)*

*Provide a table for each of the following factors listed above.*

*Also, for the Plan Benefit factors and Network factors, please include the plan id, plan marketing name, metal level and factor.*

### Conclusion:

*If any of the requested rate information results in changes to the filing forms (HR-1 or A, B, C or D), please also submit revised forms.*

*Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 07/11/2013, which is within 6 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 07/11/2013.*

*The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.*

*Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.*

*Sincerely,*

*Rachel Plummer*

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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	06/26/2013
Submitted Date	06/26/2013
Respond By Date	07/01/2013

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Dear Jason Hill,

### Introduction:

*This filing has been received, but before further action can be taken, please address the following:*

### Objection 1

*Comments: There are 148 plans listed in the Plans and Benefits Template, 22 (plan descriptions, not ids) listed in the Rate Manual, and 158 IDs listed in the Rate Data Template. Please provide a complete list of plan names/descriptions, with their corresponding plan ids, on the Rate Manual. Also, the plans that are on the Rate Data Template, but are missing from the P&B Template are the following:*

79509CO0500115  
79509CO0501005  
79509CO0501006  
79509CO0501010  
79509CO0501012  
79509CO0501013  
79509CO0501015  
79509CO0501016  
79509CO0501017  
79509CO0501019

### Conclusion:

*Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 07/01/2013, which is within 5 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 07/01/2013.*

*The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.*

*Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.*

Sincerely,  
Cathy Gilliland

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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	06/19/2013
Submitted Date	06/19/2013
Respond By Date	06/24/2013

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Dear Jason Hill,

### **Introduction:**

*This filing has been received, but before further action can be taken, please address the following:*

### **Objection 1**

*Comments: Contraceptive services is a state mandate. Please remove any opt-out on contraceptives on filing.*

### **Conclusion:**

*Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 06/24/2013, which is within 5 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 06/24/2013.*

*The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.*

*Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.*

Sincerely,  
Cathy Gilliland

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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	06/14/2013
Submitted Date	06/14/2013
Respond By Date	06/19/2013

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Dear Jason Hill,

### **Introduction:**

*This filing has been received, but before further action can be taken, please address the following:*

### **Objection 1**

*Comments: Please provide a calculation summary that includes the starting index rate along with all of the components and factors used to reach the final index rate. Be sure to include all adjustments. Please upload an excel and pdf version of this summary.*

### **Conclusion:**

*If any of the requested rate information results in changes to the filing forms (HR-1 or A, B, C or D), please also submit revised forms.*

*Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 06/19/2013, which is within 5 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 06/19/2013.*

*The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.*

*Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.*

Sincerely,

Rachel Plummer



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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	06/13/2013
Submitted Date	06/13/2013
Respond By Date	06/17/2013

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Dear Jason Hill,

### **Introduction:**

*This filing has been received, but before further action can be taken, please address the following:*

### **Objection 1**

*- Actuarial Memorandum (Supporting Document)*

*Comments: Please provide the information for projected Premiums and claims on the Actuarial Memorandum (N)*

### **Conclusion:**

*Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 06/17/2013, which is within 4 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 06/17/2013.*

*The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.*

*Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.*

Sincerely,

Cathy Gilliland

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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	06/04/2013
Submitted Date	06/04/2013
Respond By Date	06/18/2013

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Dear Jason Hill,

### Introduction:

*This filing has been received, but before further action can be taken, please address the following:*

### Objection 1

*Comments: Please provide all requested rate information on the view rate review detail. If this is a new product, there would not be prior rate information. We have acknowledged that prior rate information has been removed from the rate schedule, but the following fields should not be left blank or as zero: Member Months, Projected Earned Premiums, Projected Incurred Claims, Annual PMPM (Min, Max, Weighted).*

### Conclusion:

*If any of the requested rate information results in changes to the filing forms (HR-1 or A, B, C or D), please also submit revised forms.*

*Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 06/18/2013, which is within 14 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 06/18/2013.*

*The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.*

*Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.*

Sincerely,

Rachel Plummer

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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	05/28/2013
Submitted Date	05/28/2013
Respond By Date	06/05/2013

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Dear Jason Hill,

### **Introduction:**

*This filing has been received, but before further action can be taken, please address the following:*

### **Objection 1**

*- Actuarial Memorandum (Supporting Document)*

*Comments: Product Descriptions: This section should describe the benefits provided by the policy. Must include EHB and list any substitution of benefits or any additional benefits above the EHB.*

### **Conclusion:**

*Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 06/05/2013, which is within 7 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 06/05/2013.*

*The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.*

*Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.*

*Sincerely,*

*Cathy Gilliland*

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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	05/23/2013
Submitted Date	05/23/2013
Respond By Date	06/06/2013

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Dear Jason Hill,

### Introduction:

*This filing has been received, but before further action can be taken, please address the following:*

### Objection 1

*Comments: Please correct the requested filing mode to file and use.*

### Objection 2

*Comments: Please provide the form name on the form schedule tab.*

### Objection 3

*Comments: Please provide the requested rate information on the view rate review detail.*

### Objection 4

*Comments: If this is a new product, please remove all prior rate information and the company rate change would be new product with no written change for this premium, no policy holders and covered lives.*

### Objection 5

*- Actuarial Memorandum (Supporting Document)*

*Comments: Regulation 4-2-11 section 6 (A) 1. Please provide a brief written summary of the filing.*

### Objection 6

*- Actuarial Memorandum (Supporting Document)*

*Comments: regulation 4-2-11 section 6 (E) PPACA rate filing procedure (D) Please indicate which of the following PPACA benefits your plan has implemented:*

*Eliminate Annual Dollar Limits on Essential Benefits, Section 2711 of the PHSA/Section 1001 of the PPACA*

*Eliminate Lifetime Dollar Limits on Essential Benefits, Section 2711 of the PHSA/Section 1001 of the PPACA*

*Eliminate Pre-existing Condition Exclusions for Enrollees Under Age 19, Section 2711 of the PHSA/Section 1201 of the PPACA*

*Prohibit Rescissions, Section 2712 of the PHSA/Section 1001 of PPACA*

*Preventive Services, Section 2713 of the PHSA/Section 1001 of the PPACA*

*Extends Dependent Coverage for Children Until age 26, Section 2714 of the PHSA/Section 1001 of the PPACA*

*Appeals Process, Section 2719 of the PHSA/Section 1001 of the PPACA*

*Emergency Services, Section 2719A of the PHSA/Section 10101 of the PPACA*

*Access to Pediatricians, Section 2719A of the PHSA/Section 10101 of the PPACA*

*Access to OB/GYNs, Section 2719A of the PHSA/Section 10101 of the PPACA*

### Objection 7

*- Actuarial Memorandum (Supporting Document)*

*Comments: Regulation 4-2-11 section 6 (P) PPACA rate filing procedure (N) Benefits Ratio Projections: The memorandum must contain a section projecting the benefits ratio, over the rating period, both with and without the requested rate change. The comparison should be shown in chart form; with projected premiums, projected incurred claims and projected benefits ratio over the rating period, both with and without the requested rate change. The corresponding projection calculations should also be included. For products priced using a lifetime loss ratio standard, such as long-term care, Medicare supplement and long term disability, the*

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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

projections should include a timeframe as to when the lifetime loss ratio will be achieved.

**Objection 8**

Comments: Please provide the Unified rate review template in a xls format as we are not able to open the xml.

**Objection 9**

- Actuarial Memorandum (Supporting Document)

Comments: Regulation 4-2-11 (F)Coordination of benefits. Please address.

**Objection 10**

Comments: form #'s are from a previous filing. This is a new product, form #'s should be new.

**Conclusion:**

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 06/06/2013, which is within 14 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 06/06/2013.

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.

Sincerely,

Cathy Gilliland

State:	Colorado	Filing Company:	Humana Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	HIC Small Group Medical Rate Filing_2014.01		
Project Name/Number:	HIC Small Group Medical Rate Filing_2014.01/		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/31/2013
Submitted Date	07/31/2013

Dear Michael Muldoon,

### Introduction:

Rating Manual - The manual has been revised to reflect the original area factors that were submitted on 5/15. The manual has also been revised to exclude the Walmart/CVS Rx packages. The composite rating wording has also been removed.

URRT - A revised URRT has been submitted to more closely reflect the change in RA payment.

Part III - A revised Part III has been submitted to align with the URRT's RA payment.

All of these changes were requested by the division.

### Response 1

#### Comments:

The composite rating language has been removed from the rate manual.

### Related Objection 1

Applies To:

- HIC SB Rating Manual 2014.01, [] (Rate)

Comments: From your first rate manual to your last, you added information about composite rating, which is not allowed.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

SERFF Tracking #:

HUMA-129002825

State Tracking #:

278121

Company Tracking #:

State: Colorado

Filing Company:

Humana Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name: HIC Small Group Medical Rate Filing\_2014.01

Project Name/Number: HIC Small Group Medical Rate Filing\_2014.01/

## Rate/Rule Schedule Item Changes

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v8.pdf,	07/31/2013 By: Jason Hill

## Previous Version

1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v7.pdf,	07/30/2013 By:
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## Previous Version

1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v6F.pdf,	07/23/2013 By:
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## Previous Version

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Rate/Rule Schedule Item Changes						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v6.pdf,	07/10/2013 By: Jason Hill
Previous Version						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v4.pdf,	06/28/2013 By: Jason Hill
Previous Version						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v3.pdf,	06/19/2013 By: Jason Hill
Previous Version						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v2.pdf,	06/05/2013 By: Jason Hill
Previous Version						



<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Rate/Rule Schedule Item Changes						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01.pdf,	05/15/2013 By: Jason Hill

## Response 2

### Comments:

The reference to riders has been removed and new rate data templates will be submitted today.

## Related Objection 2

Applies To:

- HIC SB Rating Manual 2014.01, [] (Rate)

Comments: We are still unable to match what you have in your rate manual to your Rate Data Template. Additionally, you need to remove the reference to riders in your rate manual.

## Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

SERFF Tracking #:

HUMA-129002825

State Tracking #:

278121

Company Tracking #:

State: Colorado

Filing Company:

Humana Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name: HIC Small Group Medical Rate Filing\_2014.01

Project Name/Number: HIC Small Group Medical Rate Filing\_2014.01/

## Rate/Rule Schedule Item Changes

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v8.pdf,	07/31/2013 By: Jason Hill

## Previous Version

1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v7.pdf,	07/30/2013 By:
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## Previous Version

1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v6F.pdf,	07/23/2013 By:
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## Previous Version

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Rate/Rule Schedule Item Changes						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v6.pdf,	07/10/2013 By: Jason Hill
Previous Version						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v4.pdf,	06/28/2013 By: Jason Hill
Previous Version						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v3.pdf,	06/19/2013 By: Jason Hill
Previous Version						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v2.pdf,	06/05/2013 By: Jason Hill
Previous Version						

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Rate/Rule Schedule Item Changes						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01.pdf,	05/15/2013 By: Jason Hill

### Response 3

#### Comments:

Both HHP/HIC URRT's will be updated in HIOS.

### Related Objection 3

Applies To:

- Unified Rate Review Template (Supporting Document)

Comments: Your most recent URRT needs to be uploaded to HIOS.

### Changed Items:

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	PartIIIActMemoHICv4.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	PartIIIActMemoHICv3.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	PartIIIActMemoHICv2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	ActMemoIII.pdf

<b>Satisfied - Item:</b>	Unified Rate Review Template
<b>Comments:</b>	
<b>Attachment(s):</b>	plan_management_data_templates_unifiedHICv3.xlsm
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Unified Rate Review Template
<b>Comments:</b>	
<b>Attachment(s):</b>	plan_management_data_templates_unifiedHICv2888.xlsm
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Unified Rate Review Template

<b>SERFF Tracking #:</b>	HUMA-129002825	<b>State Tracking #:</b>	278121	<b>Company Tracking #:</b>	
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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

<b>Comments:</b>	
<b>Attachment(s):</b>	<i>plan_management_data_templates_unifiedHIC.xlsm</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Unified Rate Review Template</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>UnifiedRateReviewSubmission_2013051595646.xml</i>

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	PartIIIActMemoHICv4.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	PartIIIActMemoHICv3.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	PartIIIActMemoHICv2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	ActMemoIII.pdf

<b>Satisfied - Item:</b>	Unified Rate Review Template
<b>Comments:</b>	
<b>Attachment(s):</b>	plan_management_data_templates_unifiedHICv3.xlsm
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Unified Rate Review Template
<b>Comments:</b>	
<b>Attachment(s):</b>	plan_management_data_templates_unifiedHICv2888.xlsm
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Unified Rate Review Template

State:	Colorado	Filing Company:	Humana Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	HIC Small Group Medical Rate Filing_2014.01		
Project Name/Number:	HIC Small Group Medical Rate Filing_2014.01/		

Comments:	
Attachment(s):	<i>plan_management_data_templates_unifiedHIC.xlsm</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Unified Rate Review Template</i>
Comments:	
Attachment(s):	<i>UnifiedRateReviewSubmission_2013051595646.xml</i>

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

**Conclusion:**

*Sincerely,  
Jason Hill*



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**State:** Colorado **Filing Company:** Humana Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO  
**Product Name:** HIC Small Group Medical Rate Filing\_2014.01  
**Project Name/Number:** HIC Small Group Medical Rate Filing\_2014.01/

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/31/2013
Submitted Date	07/31/2013

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*Dear Michael Muldoon,*

**Introduction:**

**Response 1**

**Comments:**

N/A

**Changed Items:**

*No Supporting Documents changed.*

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

**Conclusion:**

Sincerely,  
Jason Hill

<b>SERFF Tracking #:</b>	HUMA-129002825	<b>State Tracking #:</b>	278121	<b>Company Tracking #:</b>	
<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company		
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO				
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01				
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/				

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/31/2013
Submitted Date	07/31/2013

*Dear Michael Muldoon,*

### **Introduction:**

### **Response 1**

#### **Comments:**

*There have been two versions of the URRT submitted. The first version of the .xslm submitted on 6/3 which contained the -5.9% RA receipt and the second version submitted on 7/10 which contains the revised -3% RA receipt. The second version has been double checked for accuracy. Due to the limitations of the template (J24:M29 must be greater than or equal to 1.0) many revisions were made to this section in order to preserve the original PMPMs. These revisions are shown in the Warning Alerts section in the Actuarial Memorandum - Part III. A new copy of the Memorandum has been provided as the last copy cut off part of this section.*

### **Related Objection 1**

*Comments: Please revise your URRT to reflect the risk adjustment of (-3.0%) on the part 3 Actuarial Memorandum*

### **Changed Items:**

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	PartIIIActMemoHICv3.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	PartIIIActMemoHICv2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	ActMemoIII.pdf

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf Exhibitlv5.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf Exhibitlv5.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

<b>Attachment(s):</b>	<i>COActuarialMemorandumHICv2.pdf</i> <i>ObjectionIndexRate.pdf</i> <i>Exhibitlv4.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>Exhibitlv3.pdf</i> <i>COActuarialMemorandumHICv2.pdf</i> <i>ObjectionIndexRate.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>Exhibitlv3.pdf</i> <i>COActuarialMemorandumHICv2.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>COActuarialMemorandumHIC.pdf</i> <i>Exhibitlv3.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>COActuarialMemorandumHIC.pdf</i> <i>Exhibitlv.pdf</i>

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	PartIIIActMemoHICv3.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	PartIIIActMemoHICv2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	ActMemoIII.pdf

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf Exhibitlv5.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf Exhibitlv5.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

<b>Attachment(s):</b>	<i>COActuarialMemorandumHICv2.pdf</i> <i>ObjectionIndexRate.pdf</i> <i>Exhibitlv4.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>Exhibitlv3.pdf</i> <i>COActuarialMemorandumHICv2.pdf</i> <i>ObjectionIndexRate.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>Exhibitlv3.pdf</i> <i>COActuarialMemorandumHICv2.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>COActuarialMemorandumHIC.pdf</i> <i>Exhibitlv3.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>COActuarialMemorandumHIC.pdf</i> <i>Exhibitlv.pdf</i>

No Form Schedule items changed.

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<b>SERFF Tracking #:</b>	HUMA-129002825	<b>State Tracking #:</b>	278121	<b>Company Tracking #:</b>	
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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

No Rate/Rule Schedule items changed.

**Conclusion:**

Sincerely,  
Jason Hill

State:	Colorado	Filing Company:	Humana Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	HIC Small Group Medical Rate Filing_2014.01		
Project Name/Number:	HIC Small Group Medical Rate Filing_2014.01/		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/15/2013
Submitted Date	07/16/2013

Dear Michael Muldoon,

### Introduction:

### Response 1

#### Comments:

Please see Confidential Exhibit III for a demonstration of Area Factor Development.

### Related Objection 1

Applies To:

- Confidential Experience by MSA Exhibit (Supporting Document)
- Actuarial Memorandum and Certifications (Supporting Document)
- HIC SB Rating Manual 2014.01, [] (Rate)

Comments: Please provide the actuarial support and data demonstrating how the final area factors for areas 4 through 11 were set. The MSA experience exhibit provided does not contain credible levels of experience for setting factors directly for those areas.

Medical: 2.2457 is 1.71 times higher than the Denver area cost factor of 1.307.

Pharma: 2.1128 is 1.40 times higher than the Denver area cost factor of 1.5079

Combined Medical and Pharmacy factor for areas 4 through 11 appears to be roughly 1.65 times higher than the combined Denver factor.

### Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Confidential Exhibit III
Comments:	
Attachment(s):	Confidential3(Area).pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.



<b>SERFF Tracking #:</b>	HUMA-129002825	<b>State Tracking #:</b>	278121	<b>Company Tracking #:</b>	
<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company		
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO				
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01				
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/				

**Conclusion:**

Sincerely,  
Jason Hill

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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

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## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/10/2013
Submitted Date	07/15/2013

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Dear Michael Muldoon,

### **Introduction:**

### **Response 1**

#### **Comments:**

The Carry Over Credit rider has been removed and has been embedded in all COPAY plans. The Carry Over Credit benefit has been embedded within the Copay plan design. The impact to embed the carryover-credit rider is 0.56%. This impact was developed using a proprietary 3rd party model that has been calibrated to our Humana Small Business experience. The impact of the rider was calculated for each copay plan and weighted together using Colorado specific projected membership on these plans.

The rate of the current optional rider is 3.4%. To determine the original rider rate, we started with the impact per plan similar to above. We increased the impact to account for the additional claims impact when a group positively purchases the rider. The pricing is based, in part, by the difference in the nationwide claims for groups on similar deductibles with and without the optional rider.

### **Related Objection 1**

Applies To:

- Actuarial Memorandum and Certifications (Supporting Document)
- Unified Rate Review Template (Supporting Document)
- Actuarial Memorandum (Supporting Document)

Comments: This objection is in regards to the optional Carry Over Credit benefit with an additional 3.4% rate load indicated in the Rate Manual.

This 3.4% rate load for a Carry Over Benefit is not supported in the rate filing. The Division does not approve this benefit rating factor due to lack of support.

Please provide a full description of how this benefit works in the Actuarial Memorandum, and full support for how the 3.4% rate load was determined.

Plans that add this optional Carry Over Credit would need to be reflected as unique additional plans in the URRT, with their own pricing benefit value, and Actuarial value in the URRT section II spreadsheet.

All unique benefit plan designs must be included in the rate data template with their unique rates.

Any plan which has added this Carry Over Credit with an additional 3.4% rate load must be included in the rate data template as a separate plan and rate from the original plan without the benefit.

Please indicate how these plans containing this optional benefit are being accounted for in all applicable templates in the binder.

### **Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### **Conclusion:**

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Sincerely,  
Jason Hill

<b>SERFF Tracking #:</b>	HUMA-129002825	<b>State Tracking #:</b>	278121	<b>Company Tracking #:</b>	
<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company		
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO				
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01				
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/				

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/10/2013
Submitted Date	07/10/2013

*Dear Michael Muldoon,*

### **Introduction:**

### **Response 1**

#### **Comments:**

*The rate manual has been updated to include metal tiers and Rx descriptions by plan.*

### **Related Objection 1**

*Comments: Please provide a new rate manual in the following format:*

*Base Premium = (Age Factor) \* (Plan Benefit Factor) \* (Network Factor) \* (Area Factor) \* (Tobacco Factor) \* (Any other factors built into the rate)*

*Provide a table for each of the following factors listed above.*

*Also, for the Plan Benefit factors and Network factors, please include the plan id, plan marketing name, metal level and factor.*

### **Changed Items:**

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	HR-1 Form (H)
<b>Comments:</b>	
<b>Attachment(s):</b>	HR-1 Form 2014_01 PPO.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>HR-1 Form (H)</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>HR-1 Form 2014_01 PPO.pdf</i>
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	PartIIActMemoHICv2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum and Certifications</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>ActMemoIII.pdf</i>
<b>Satisfied - Item:</b>	Unified Rate Review Template
<b>Comments:</b>	
<b>Attachment(s):</b>	plan_management_data_templates_unifiedHICv2888.xlsm
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Unified Rate Review Template</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>plan_management_data_templates_unifiedHIC.xlsm</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Unified Rate Review Template</i>
<b>Comments:</b>	

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

<b>Attachment(s):</b>	<i>UnifiedRateReviewSubmission_2013051595646.xml</i>
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<b>Satisfied - Item:</b>	Actuarial Memorandum
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<b>Comments:</b>	
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<b>Attachment(s):</b>	COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf Exhibitlv4.pdf
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<i>Previous Version</i>	
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<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
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<b>Comments:</b>	
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<b>Attachment(s):</b>	<i>Exhibitlv3.pdf</i> <i>COActuarialMemorandumHICv2.pdf</i> <i>ObjectionIndexRate.pdf</i>
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<i>Previous Version</i>	
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<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
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<b>Comments:</b>	
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<b>Attachment(s):</b>	<i>Exhibitlv3.pdf</i> <i>COActuarialMemorandumHICv2.pdf</i>
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<i>Previous Version</i>	
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<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
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<b>Comments:</b>	
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<b>Attachment(s):</b>	<i>COActuarialMemorandumHIC.pdf</i> <i>Exhibitlv3.pdf</i>
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<i>Previous Version</i>	
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<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
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<b>Comments:</b>	
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<b>Attachment(s):</b>	<i>COActuarialMemorandumHIC.pdf</i> <i>Exhibitlv.pdf</i>
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State:	Colorado	Filing Company:	Humana Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	HIC Small Group Medical Rate Filing_2014.01		
Project Name/Number:	HIC Small Group Medical Rate Filing_2014.01/		

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Comments:	
Attachment(s):	RatingSamplev2.pdf
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Satisfied - Item:	Rating Sample
Comments:	
Attachment(s):	Rate SampleHIC.pdf
Previous Version	
Satisfied - Item:	Rating Sample
Comments:	
Attachment(s):	RatingSample.pdf

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	HR-1 Form (H)
<b>Comments:</b>	
<b>Attachment(s):</b>	HR-1 Form 2014_01 PPO.pdf
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<b>Satisfied - Item:</b>	<i>HR-1 Form (H)</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>HR-1 Form 2014_01 PPO.pdf</i>
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	PartIIIActMemoHICv2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum and Certifications</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>ActMemoIII.pdf</i>
<b>Satisfied - Item:</b>	Unified Rate Review Template
<b>Comments:</b>	
<b>Attachment(s):</b>	plan_management_data_templates_unifiedHICv2888.xlsm
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Unified Rate Review Template</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>plan_management_data_templates_unifiedHIC.xlsm</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Unified Rate Review Template</i>
<b>Comments:</b>	



<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

<b>Attachment(s):</b>	<i>UnifiedRateReviewSubmission_2013051595646.xml</i>
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<b>Satisfied - Item:</b>	Actuarial Memorandum
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<b>Comments:</b>	
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<b>Attachment(s):</b>	COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf Exhibitlv4.pdf
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<i>Previous Version</i>	
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<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
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<b>Comments:</b>	
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<b>Attachment(s):</b>	<i>Exhibitlv3.pdf</i> <i>COActuarialMemorandumHICv2.pdf</i> <i>ObjectionIndexRate.pdf</i>
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<i>Previous Version</i>	
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<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
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<b>Comments:</b>	
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<b>Attachment(s):</b>	<i>Exhibitlv3.pdf</i> <i>COActuarialMemorandumHICv2.pdf</i>
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<i>Previous Version</i>	
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<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
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<b>Comments:</b>	
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<b>Attachment(s):</b>	<i>COActuarialMemorandumHIC.pdf</i> <i>Exhibitlv3.pdf</i>
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<i>Previous Version</i>	
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<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
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<b>Comments:</b>	
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<b>Attachment(s):</b>	<i>COActuarialMemorandumHIC.pdf</i> <i>Exhibitl.pdf</i>
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State:	Colorado	Filing Company:	Humana Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	HIC Small Group Medical Rate Filing_2014.01		
Project Name/Number:	HIC Small Group Medical Rate Filing_2014.01/		

Satisfied - Item:	Rating Sample
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Attachment(s):	RatingSamplev2.pdf
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Satisfied - Item:	Rating Sample
Comments:	
Attachment(s):	Rate SampleHIC.pdf
Previous Version	
Satisfied - Item:	Rating Sample
Comments:	
Attachment(s):	RatingSample.pdf

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	HR-1 Form (H)
<b>Comments:</b>	
<b>Attachment(s):</b>	HR-1 Form 2014_01 PPO.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>HR-1 Form (H)</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>HR-1 Form 2014_01 PPO.pdf</i>
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<b>Comments:</b>	
<b>Attachment(s):</b>	PartIIIActMemoHICv2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum and Certifications</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>ActMemoIII.pdf</i>
<b>Satisfied - Item:</b>	Unified Rate Review Template
<b>Comments:</b>	
<b>Attachment(s):</b>	plan_management_data_templates_unifiedHICv2888.xlsm
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<b>Satisfied - Item:</b>	<i>Unified Rate Review Template</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>plan_management_data_templates_unifiedHIC.xlsm</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Unified Rate Review Template</i>
<b>Comments:</b>	

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

<b>Attachment(s):</b>	<i>UnifiedRateReviewSubmission_2013051595646.xml</i>
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<b>Satisfied - Item:</b>	Actuarial Memorandum
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<b>Comments:</b>	
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<b>Attachment(s):</b>	COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf Exhibitlv4.pdf
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<i>Previous Version</i>	
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<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
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<b>Comments:</b>	
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<b>Attachment(s):</b>	<i>Exhibitlv3.pdf</i> <i>COActuarialMemorandumHICv2.pdf</i> <i>ObjectionIndexRate.pdf</i>
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<i>Previous Version</i>	
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<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
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<b>Comments:</b>	
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<b>Attachment(s):</b>	<i>Exhibitlv3.pdf</i> <i>COActuarialMemorandumHICv2.pdf</i>
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<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
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<b>Comments:</b>	
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<b>Attachment(s):</b>	<i>COActuarialMemorandumHIC.pdf</i> <i>Exhibitlv3.pdf</i>
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<i>Previous Version</i>	
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<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
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<b>Comments:</b>	
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<b>Attachment(s):</b>	<i>COActuarialMemorandumHIC.pdf</i> <i>Exhibitlv.pdf</i>
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State:	Colorado	Filing Company:	Humana Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	HIC Small Group Medical Rate Filing_2014.01		
Project Name/Number:	HIC Small Group Medical Rate Filing_2014.01/		

Satisfied - Item:	Rating Sample
Comments:	
Attachment(s):	RatingSamplev2.pdf
Previous Version	
Satisfied - Item:	Rating Sample
Comments:	
Attachment(s):	Rate SampleHIC.pdf
Previous Version	
Satisfied - Item:	Rating Sample
Comments:	
Attachment(s):	RatingSample.pdf

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	HR-1 Form (H)
<b>Comments:</b>	
<b>Attachment(s):</b>	HR-1 Form 2014_01 PPO.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>HR-1 Form (H)</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>HR-1 Form 2014_01 PPO.pdf</i>
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	PartIIIActMemoHICv2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum and Certifications</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>ActMemoIII.pdf</i>
<b>Satisfied - Item:</b>	Unified Rate Review Template
<b>Comments:</b>	
<b>Attachment(s):</b>	plan_management_data_templates_unifiedHICv2888.xlsm
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Unified Rate Review Template</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>plan_management_data_templates_unifiedHIC.xlsm</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Unified Rate Review Template</i>
<b>Comments:</b>	

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

<b>Attachment(s):</b>	<i>UnifiedRateReviewSubmission_2013051595646.xml</i>
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<b>Satisfied - Item:</b>	Actuarial Memorandum
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<b>Comments:</b>	
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<b>Attachment(s):</b>	COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf Exhibitlv4.pdf
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<i>Previous Version</i>	
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<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
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<b>Comments:</b>	
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<b>Attachment(s):</b>	<i>Exhibitlv3.pdf</i> <i>COActuarialMemorandumHICv2.pdf</i> <i>ObjectionIndexRate.pdf</i>
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<i>Previous Version</i>	
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<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
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<b>Comments:</b>	
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<b>Attachment(s):</b>	<i>Exhibitlv3.pdf</i> <i>COActuarialMemorandumHICv2.pdf</i>
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<i>Previous Version</i>	
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<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
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<b>Comments:</b>	
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<b>Attachment(s):</b>	<i>COActuarialMemorandumHIC.pdf</i> <i>Exhibitlv3.pdf</i>
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<i>Previous Version</i>	
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<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
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<b>Comments:</b>	
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<b>Attachment(s):</b>	<i>COActuarialMemorandumHIC.pdf</i> <i>Exhibitlv.pdf</i>
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State:	Colorado	Filing Company:	Humana Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	HIC Small Group Medical Rate Filing_2014.01		
Project Name/Number:	HIC Small Group Medical Rate Filing_2014.01/		

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Comments:	
Attachment(s):	RatingSamplev2.pdf
Previous Version	
Satisfied - Item:	Rating Sample
Comments:	
Attachment(s):	Rate SampleHIC.pdf
Previous Version	
Satisfied - Item:	Rating Sample
Comments:	
Attachment(s):	RatingSample.pdf



<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	HR-1 Form (H)
<b>Comments:</b>	
<b>Attachment(s):</b>	HR-1 Form 2014_01 PPO.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>HR-1 Form (H)</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>HR-1 Form 2014_01 PPO.pdf</i>
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	PartIIIActMemoHICv2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum and Certifications</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>ActMemoIII.pdf</i>
<b>Satisfied - Item:</b>	Unified Rate Review Template
<b>Comments:</b>	
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<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Unified Rate Review Template</i>
<b>Comments:</b>	
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<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Unified Rate Review Template</i>
<b>Comments:</b>	

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

<b>Attachment(s):</b>	<i>UnifiedRateReviewSubmission_2013051595646.xml</i>
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<b>Satisfied - Item:</b>	Actuarial Memorandum
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<b>Comments:</b>	
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<b>Attachment(s):</b>	COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf Exhibitlv4.pdf
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<i>Previous Version</i>	
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<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
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<b>Comments:</b>	
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<b>Attachment(s):</b>	<i>Exhibitlv3.pdf</i> <i>COActuarialMemorandumHICv2.pdf</i> <i>ObjectionIndexRate.pdf</i>
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<i>Previous Version</i>	
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<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
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<b>Comments:</b>	
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<b>Attachment(s):</b>	<i>Exhibitlv3.pdf</i> <i>COActuarialMemorandumHICv2.pdf</i>
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<i>Previous Version</i>	
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<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
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<b>Comments:</b>	
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<b>Attachment(s):</b>	<i>COActuarialMemorandumHIC.pdf</i> <i>Exhibitlv3.pdf</i>
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<i>Previous Version</i>	
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<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
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<b>Comments:</b>	
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<b>Attachment(s):</b>	<i>COActuarialMemorandumHIC.pdf</i> <i>Exhibitl.pdf</i>
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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

<b>Satisfied - Item:</b>	Rating Sample
<b>Comments:</b>	
<b>Attachment(s):</b>	RatingSamplev2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Rating Sample</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>Rate SampleHIC.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Rating Sample</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>RatingSample.pdf</i>

No Form Schedule items changed.

SERFF Tracking #:

HUMA-129002825

State Tracking #:

278121

Company Tracking #:

State: Colorado

Filing Company:

Humana Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name: HIC Small Group Medical Rate Filing\_2014.01

Project Name/Number: HIC Small Group Medical Rate Filing\_2014.01/

## Rate/Rule Schedule Item Changes

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v6.pdf,	07/10/2013 By: Jason Hill

## Previous Version

1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v4.pdf,	06/28/2013 By: Jason Hill
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## Previous Version

1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v3.pdf,	06/19/2013 By: Jason Hill
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## Previous Version

State:	Colorado	Filing Company:	Humana Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	HIC Small Group Medical Rate Filing_2014.01		
Project Name/Number:	HIC Small Group Medical Rate Filing_2014.01/		

Rate/Rule Schedule Item Changes						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v2.pdf,	06/05/2013 By: Jason Hill
Previous Version						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01.pdf,	05/15/2013 By: Jason Hill

**Conclusion:**

Sincerely,  
Jason Hill

State:	Colorado	Filing Company:	Humana Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	HIC Small Group Medical Rate Filing_2014.01		
Project Name/Number:	HIC Small Group Medical Rate Filing_2014.01/		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/28/2013
Submitted Date	06/28/2013

Dear Michael Muldoon,

### Introduction:

### Response 1

#### Comments:

A new rate manual has been submitted with the Plan IDs next to the corresponding plan benefits. A new Plans and Benefits Template has also been submitted.

### Related Objection 1

Comments: There are 148 plans listed in the Plans and Benefits Template, 22 (plan descriptions, not ids) listed in the Rate Manual, and 158 IDs listed in the Rate Data Template. Please provide a complete list of plan names/descriptions, with their corresponding plan ids, on the Rate Manual. Also, the plans that are on the Rate Data Template, but are missing from the P&B Template are the following:

79509CO0500115  
79509CO0501005  
79509CO0501006  
79509CO0501010  
79509CO0501012  
79509CO0501013  
79509CO0501015  
79509CO0501016  
79509CO0501017  
79509CO0501019

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

SERFF Tracking #:

HUMA-129002825

State Tracking #:

278121

Company Tracking #:

State: Colorado

Filing Company:

Humana Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name: HIC Small Group Medical Rate Filing\_2014.01

Project Name/Number: HIC Small Group Medical Rate Filing\_2014.01/

## Rate/Rule Schedule Item Changes

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v4.pdf,	06/28/2013 By: Jason Hill

## Previous Version

1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v3.pdf,	06/19/2013 By: Jason Hill
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## Previous Version

1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v2.pdf,	06/05/2013 By: Jason Hill
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## Previous Version

State:	Colorado	Filing Company:	Humana Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	HIC Small Group Medical Rate Filing_2014.01		
Project Name/Number:	HIC Small Group Medical Rate Filing_2014.01/		

Rate/Rule Schedule Item Changes						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01.pdf,	05/15/2013 By: Jason Hill

**Conclusion:**

Sincerely,  
Jason Hill



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**State:** Colorado **Filing Company:** Humana Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO  
**Product Name:** HIC Small Group Medical Rate Filing\_2014.01  
**Project Name/Number:** HIC Small Group Medical Rate Filing\_2014.01/

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## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/19/2013
Submitted Date	06/19/2013

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Dear Michael Muldoon,

### **Introduction:**

### **Response 1**

#### **Comments:**

The opt-out has been removed.

### **Related Objection 1**

Comments: Contraceptive services is a state mandate. Please remove any opt-out on contraceptives on filing.

### **Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### **Conclusion:**

Sincerely,  
Jason Hill

State:	Colorado	Filing Company:	Humana Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	HIC Small Group Medical Rate Filing_2014.01		
Project Name/Number:	HIC Small Group Medical Rate Filing_2014.01/		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/19/2013
Submitted Date	06/19/2013

*Dear Michael Muldoon,*

### **Introduction:**

### **Response 1**

#### **Comments:**

*An index rate Exhibit has been attached.*

### **Related Objection 1**

*Comments: Please provide a calculation summary that includes the starting index rate along with all of the components and factors used to reach the final index rate. Be sure to include all adjustments. Please upload an excel and pdf version of this summary.*

### **Changed Items:**

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	Exhibitlv3.pdf COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	Exhibitlv3.pdf COActuarialMemorandumHICv2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	COActuarialMemorandumHIC.pdf Exhibitlv3.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	COActuarialMemorandumHIC.pdf Exhibitl.pdf

No Form Schedule items changed.

SERFF Tracking #:

HUMA-129002825

State Tracking #:

278121

Company Tracking #:

State: Colorado

Filing Company:

Humana Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name: HIC Small Group Medical Rate Filing\_2014.01

Project Name/Number: HIC Small Group Medical Rate Filing\_2014.01/

## Rate/Rule Schedule Item Changes

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v3.pdf,	06/19/2013 By: Jason Hill
<i>Previous Version</i>						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v2.pdf,	06/05/2013 By: Jason Hill
<i>Previous Version</i>						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01.pdf,	05/15/2013 By: Jason Hill

## Conclusion:

Sincerely,  
Jason Hill

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/13/2013
Submitted Date	06/13/2013

*Dear Michael Muldoon,*

### **Introduction:**

### **Response 1**

#### **Comments:**

*Section N has been updated on the Actuarial Memorandum.*

### **Related Objection 1**

*Applies To:*

*- Actuarial Memorandum (Supporting Document)*

*Comments: Please provide the information for projected Premiums and claims on the Actuarial Memorandum (N)*

### **Changed Items:**

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	Exhibitlv3.pdf COActuarialMemorandumHICv2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>COActuarialMemorandumHIC.pdf Exhibitlv3.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>COActuarialMemorandumHIC.pdf Exhibitl.pdf</i>

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

Sincerely,  
Jason Hill

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/05/2013
Submitted Date	06/05/2013

*Dear Michael Muldoon,*

### **Introduction:**

### **Response 1**

#### **Comments:**

*The requested fields on the view rate review detail have been completed.*

### **Related Objection 1**

*Comments: Please provide all requested rate information on the view rate review detail. If this is a new product, there would not be prior rate information. We have acknowledged that prior rate information has been removed from the rate schedule, but the following fields should not be left blank or as zero: Member Months, Projected Earned Premiums, Projected Incurred Claims, Annual PMPM (Min, Max, Weighted).*

### **Changed Items:**

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Rating Sample
<b>Comments:</b>	
<b>Attachment(s):</b>	Rate SampleHIC.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Rating Sample</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>RatingSample.pdf</i>

*No Form Schedule items changed.*

State: Colorado Filing Company: Humana Insurance Company  
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO  
 Product Name: HIC Small Group Medical Rate Filing\_2014.01  
 Project Name/Number: HIC Small Group Medical Rate Filing\_2014.01/

Rate/Rule Schedule Item Changes						
Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v2.pdf,	06/05/2013 By: Jason Hill
Previous Version						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01.pdf,	05/15/2013 By: Jason Hill

**Conclusion:**

Sincerely,  
 Jason Hill



State:	Colorado	Filing Company:	Humana Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	HIC Small Group Medical Rate Filing_2014.01		
Project Name/Number:	HIC Small Group Medical Rate Filing_2014.01/		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/03/2013
Submitted Date	06/03/2013

Dear Michael Muldoon,

### Introduction:

### Response 1

#### Comments:

Exhibit II has been provided for a high level summary of product descriptions.

### Related Objection 1

Applies To:

- Actuarial Memorandum (Supporting Document)

Comments: Product Descriptions: This section should describe the benefits provided by the policy. Must include EHB and list any substitution of benefits or any additional benefits above the EHB.

### Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	COActuarialMemorandumHIC.pdf Exhibitlv3.pdf
Previous Version	
Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	COActuarialMemorandumHIC.pdf Exhibitlv.pdf

No Form Schedule items changed.

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<b>SERFF Tracking #:</b>	HUMA-129002825	<b>State Tracking #:</b>	278121	<b>Company Tracking #:</b>	
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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

No Rate/Rule Schedule items changed.

**Conclusion:**

Sincerely,  
Jason Hill

State:	Colorado	Filing Company:	Humana Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	HIC Small Group Medical Rate Filing_2014.01		
Project Name/Number:	HIC Small Group Medical Rate Filing_2014.01/		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/03/2013
Submitted Date	06/03/2013

Dear Michael Muldoon,

### Introduction:

### Response 1

#### Comments:

The filing mode has been changed to file and use.

### Related Objection 1

Comments: Please correct the requested filing mode to file and use.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Response 2

#### Comments:

The form names have been provided on the form schedule tab.

### Related Objection 2

Comments: Please provide the form name on the form schedule tab.

### Changed Items:

No Supporting Documents changed.

SERFF Tracking #:

HUMA-129002825

State Tracking #:

278121

Company Tracking #:

State: Colorado

Filing Company:

Humana Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name: HIC Small Group Medical Rate Filing\_2014.01

Project Name/Number: HIC Small Group Medical Rate Filing\_2014.01/

## Form Schedule Item Changes

Item No.	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments	Submitted
1	PPO Policy	CC2003-P 01/14	POL	Other	rate change only			Date Submitted: 06/03/2013 By: Jason Hill

## Previous Version

1	CC2003-P	CC2003-P	POL	Other	rate change only			Date Submitted: 05/15/2013 By: Jason Hill
2	PPO Certificate	CC2003-C 01/14	CER	Other	rate change only			Date Submitted: 06/03/2013 By: Jason Hill

## Previous Version

2	CC2003-C	CC2003-C	CER	Other	rate change only			Date Submitted: 05/15/2013 By: Jason Hill
3	PPO Mandated Policy	CO CC2003M-P	POL	Other	rate change only			Date Submitted: 06/03/2013 By: Jason Hill

## Previous Version

3	CO CC2003M-P	CO CC2003M-P	POL	Other	rate change only			Date Submitted: 05/15/2013 By: Jason Hill
4	PPO Mandated Certificate	CO CC2003M-C	CER	Other	rate change only			Date Submitted: 06/03/2013 By: Jason Hill

## Previous Version

SERFF Tracking #:

HUMA-129002825

State Tracking #:

278121

Company Tracking #:

State: Colorado

Filing Company:

Humana Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name: HIC Small Group Medical Rate Filing\_2014.01

Project Name/Number: HIC Small Group Medical Rate Filing\_2014.01/

## Form Schedule Item Changes

Item No.	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments	Submitted
1	PPO Policy	CC2003-P 01/14	POL	Other	rate change only			Date Submitted: 06/03/2013 By: Jason Hill
4	CO CC2003M-C	CO CC2003M-C	CER	Other	rate change only			Date Submitted: 05/15/2013 By: Jason Hill
5	PPO Mandated Conversion Contract	CO CONV INDV	POL	Other	rate change only			Date Submitted: 06/03/2013 By: Jason Hill
Previous Version								
5	CO CONV INDV	CO CONV INDV	POL	Other	rate change only			Date Submitted: 05/15/2013 By: Jason Hill
6	Supplemental Accident Rider	SAR	POLA	Other	rate change only			Date Submitted: 06/03/2013 By: Jason Hill
Previous Version								
6	SAR	SAR	POLA	Other	rate change only			Date Submitted: 05/15/2013 By: Jason Hill
7	Vision Care Rider	VIS	POLA	Other	rate change only			Date Submitted: 06/03/2013 By: Jason Hill
Previous Version								

SERFF Tracking #:

HUMA-129002825

State Tracking #:

278121

Company Tracking #:

State: Colorado

Filing Company:

Humana Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name: HIC Small Group Medical Rate Filing\_2014.01

Project Name/Number: HIC Small Group Medical Rate Filing\_2014.01/

## Form Schedule Item Changes

Item No.	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments	Submitted
1	PPO Policy	CC2003-P 01/14	POL	Other	rate change only			Date Submitted: 06/03/2013 By: Jason Hill
7	VIS	VIS	POLA	Other	rate change only			Date Submitted: 05/15/2013 By: Jason Hill
8	Prescription Drug Benefit [Rider]	RX 01/14	POLA	Other	rate change only			Date Submitted: 06/03/2013 By: Jason Hill
Previous Version								
8	RX	RX	POLA	Other	rate change only			Date Submitted: 05/15/2013 By: Jason Hill
9	24-Hour Coverage Benefit [Rider]	24HR	POLA	Other	rate change only			Date Submitted: 06/03/2013 By: Jason Hill
Previous Version								
9	24HR	24HR	POLA	Other	rate change only			Date Submitted: 05/15/2013 By: Jason Hill

No Rate/Rule Schedule items changed.

## Response 3

## Comments:

The rate review detail has been updated.

## Related Objection 3

State:	Colorado	Filing Company:	Humana Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	HIC Small Group Medical Rate Filing_2014.01		
Project Name/Number:	HIC Small Group Medical Rate Filing_2014.01/		

Comments: Please provide the requested rate information on the view rate review detail.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Response 4**

**Comments:**

All premiums and policy holder information has been removed.

**Related Objection 4**

Comments: If this is a new product, please remove all prior rate information and the company rate change would be new product with no written change for this premium, no policy holders and covered lives.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Response 5**

**Comments:**

Actuarial Memorandum Section A includes a brief summary for the filing.

**Related Objection 5**

Applies To:

- Actuarial Memorandum (Supporting Document)

Comments: Regulation 4-2-11 section 6 (A) 1. Please provide a brief written summary of the filing.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

No Rate/Rule Schedule items changed.

## Response 6

### Comments:

The PPACA benefits have been listed in Section D of the Actuarial Memorandum.

## Related Objection 6

Applies To:

- Actuarial Memorandum (Supporting Document)

Comments: regulation 4-2-11 section 6 (E) PPACA rate filing procedure (D) Please indicate which of the following PPACA benefits your plan has implemented:

Eliminate Annual Dollar Limits on Essential Benefits, Section 2711 of the PHSA/Section 1001 of the PPACA

Eliminate Lifetime Dollar Limits on Essential Benefits, Section 2711 of the PHSA/Section 1001 of the PPACA

Eliminate Pre-existing Condition Exclusions for Enrollees Under Age 19, Section 2711 of the PHSA/Section 1201 of the PPACA

Prohibit Rescissions, Section 2712 of the PHSA/Section 1001 of PPACA

Preventive Services, Section 2713 of the PHSA/Section 1001 of the PPACA

Extends Dependent Coverage for Children Until age 26, Section 2714 of the PHSA/Section 1001 of the PPACA

Appeals Process, Section 2719 of the PHSA/Section 1001 of the PPACA

Emergency Services, Section 2719A of the PHSA/Section 10101 of the PPACA

Access to Pediatricians, Section 2719A of the PHSA/Section 10101 of the PPACA

Access to OB/GYNs, Section 2719A of the PHSA/Section 10101 of the PPACA

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

## Response 7

### Comments:

Projected premiums and claims have been added to Section N of the Actuarial Memorandum.

## Related Objection 7

Applies To:

- Actuarial Memorandum (Supporting Document)



<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Comments: Regulation 4-2-11 section 6 (P) PPACA rate filing procedure (N) Benefits Ratio Projections: The memorandum must contain a section projecting the benefits ratio, over the rating period, both with and without the requested rate change. The comparison should be shown in chart form; with projected premiums, projected incurred claims and projected benefits ratio over the rating period, both with and without the requested rate change. The corresponding projection calculations should also be included. For products priced using a lifetime loss ratio standard, such as long-term care, Medicare supplement and long term disability, the projections should include a timeframe as to when the lifetime loss ratio will be achieved.

#### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

#### Response 8

##### Comments:

An excel version of the URRT has been uploaded to SERFF.

#### Related Objection 8

Comments: Please provide the Unified rate review template in a xls format as we are not able to open the xml.

#### Changed Items:

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Unified Rate Review Template
<b>Comments:</b>	
<b>Attachment(s):</b>	plan_management_data_templates_unifiedHIC.xlsm
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Unified Rate Review Template
<b>Comments:</b>	
<b>Attachment(s):</b>	UnifiedRateReviewSubmission_2013051595646.xml

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

State:	Colorado	Filing Company:	Humana Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	HIC Small Group Medical Rate Filing_2014.01		
Project Name/Number:	HIC Small Group Medical Rate Filing_2014.01/		

### Response 9

#### Comments:

Section F of the Actuarial Memorandum has been addressed.

### Related Objection 9

Applies To:

- Actuarial Memorandum (Supporting Document)

Comments: Regulation 4-2-11 (F)Coordination of benefits. Please address.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Response 10

#### Comments:

New form numbers have been provided.

### Related Objection 10

Comments: form #'s are from a previous filing. This is a new product, form #'s should be new.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Conclusion:

Sincerely,  
Jason Hill

<b>SERFF Tracking #:</b>	HUMA-129002825	<b>State Tracking #:</b>	278121	<b>Company Tracking #:</b>	
<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company		
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO				
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01				
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/				

## Amendment Letter

Submitted Date: 08/06/2013

Comments:

See Cover Letter.

Changed Items:

*No Form Schedule Items Changed.*

SERFF Tracking #:

HUMA-129002825

State Tracking #:

278121

Company Tracking #:

State: Colorado

Filing Company:

Humana Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name: HIC Small Group Medical Rate Filing\_2014.01

Project Name/Number: HIC Small Group Medical Rate Filing\_2014.01/

## Rate/Rule Schedule Item Changes

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01FINAL.pdf,	08/06/2013 By:

## Previous Version

1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v8.pdf,	07/31/2013 By: Jason Hill
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## Previous Version

1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v7.pdf,	07/30/2013 By:
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## Previous Version

SERFF Tracking #:

HUMA-129002825

State Tracking #:

278121

Company Tracking #:

State: Colorado

Filing Company:

Humana Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name: HIC Small Group Medical Rate Filing\_2014.01

Project Name/Number: HIC Small Group Medical Rate Filing\_2014.01/

## Rate/Rule Schedule Item Changes

1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v6F.pdf,	07/23/2013 By:
Previous Version						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v6.pdf,	07/10/2013 By: Jason Hill
Previous Version						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v4.pdf,	06/28/2013 By: Jason Hill
Previous Version						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v3.pdf,	06/19/2013 By: Jason Hill
Previous Version						

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Rate/Rule Schedule Item Changes						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v2.pdf,	06/05/2013 By: Jason Hill
Previous Version						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01.pdf,	05/15/2013 By: Jason Hill

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	ActMemoPartIIIHICFINAL.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	PartIIIActMemoHICv4.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	PartIIIActMemoHICv3.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	PartIIIActMemoHICv2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	ActMemoIII.pdf

<b>Satisfied - Item:</b>	Unified Rate Review Template
<b>Comments:</b>	
<b>Attachment(s):</b>	plan_management_data_templates_unifiedHICFINAL.xlsm
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Unified Rate Review Template

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

<b>Comments:</b>	
<b>Attachment(s):</b>	<i>plan_management_data_templates_unifiedHICv3.xlsm</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Unified Rate Review Template</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>plan_management_data_templates_unifiedHICv2888.xlsm</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Unified Rate Review Template</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>plan_management_data_templates_unifiedHIC.xlsm</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Unified Rate Review Template</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>UnifiedRateReviewSubmission_2013051595646.xml</i>

<b>Satisfied - Item:</b>	Cover Letter
<b>Comments:</b>	
<b>Attachment(s):</b>	CO Letter 8-06-13 - HIC_FINAL.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Cover Letter</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>CoverFinal.pdf</i>

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	



<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

<b>Attachment(s):</b>	COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf ExhibitIHICFINAL.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf Exhibitlv5.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf Exhibitlv5.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf Exhibitlv4.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>Exhibitlv3.pdf COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf</i>
<i>Previous Version</i>	

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>Exhibitlv3.pdf</i> <i>COActuarialMemorandumHICv2.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>COActuarialMemorandumHIC.pdf</i> <i>Exhibitlv3.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>COActuarialMemorandumHIC.pdf</i> <i>Exhibitl.pdf</i>

<b>Satisfied - Item:</b>	Rating Sample
<b>Comments:</b>	
<b>Attachment(s):</b>	State of Colorado - Rate Sample TemplateHICFINAL.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Rating Sample</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>RateSampleHICv2.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Rating Sample</i>
<b>Comments:</b>	

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

<b>Attachment(s):</b>	<i>RatingSamplev2.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Rating Sample</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>Rate SampleHIC.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Rating Sample</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>RatingSample.pdf</i>

<b>SERFF Tracking #:</b>	<i>HUMA-129002825</i>	<b>State Tracking #:</b>	<i>278121</i>	<b>Company Tracking #:</b>	
<hr/>					
<b>State:</b>	<i>Colorado</i>	<b>Filing Company:</b>	<i>Humana Insurance Company</i>		
<b>TOI/Sub-TOI:</b>	<i>H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO</i>				
<b>Product Name:</b>	<i>HIC Small Group Medical Rate Filing_2014.01</i>				
<b>Project Name/Number:</b>	<i>HIC Small Group Medical Rate Filing_2014.01/</i>				

## Amendment Letter

Submitted Date: 07/30/2013

Comments:

The rating manual has been revised to reflect the changes made to the binder regarding copay amounts.

Changed Items:

*No Form Schedule Items Changed.*

SERFF Tracking #:

HUMA-129002825

State Tracking #:

278121

Company Tracking #:

State: Colorado

Filing Company:

Humana Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name: HIC Small Group Medical Rate Filing\_2014.01

Project Name/Number: HIC Small Group Medical Rate Filing\_2014.01/

## Rate/Rule Schedule Item Changes

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v7.pdf,	07/30/2013 By:
Previous Version						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v6F.pdf,	07/23/2013 By:
Previous Version						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v6.pdf,	07/10/2013 By: Jason Hill
Previous Version						

State:	Colorado	Filing Company:	Humana Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	HIC Small Group Medical Rate Filing_2014.01		
Project Name/Number:	HIC Small Group Medical Rate Filing_2014.01/		

Rate/Rule Schedule Item Changes						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v4.pdf,	06/28/2013 By: Jason Hill
Previous Version						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v3.pdf,	06/19/2013 By: Jason Hill
Previous Version						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v2.pdf,	06/05/2013 By: Jason Hill
Previous Version						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01.pdf,	05/15/2013 By: Jason Hill

No Supporting Documents Changed.

<b>SERFF Tracking #:</b>	<i>HUMA-129002825</i>	<b>State Tracking #:</b>	<i>278121</i>	<b>Company Tracking #:</b>	
<hr/>					
<b>State:</b>	<i>Colorado</i>	<b>Filing Company:</b>	<i>Humana Insurance Company</i>		
<b>TOI/Sub-TOI:</b>	<i>H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO</i>				
<b>Product Name:</b>	<i>HIC Small Group Medical Rate Filing_2014.01</i>				
<b>Project Name/Number:</b>	<i>HIC Small Group Medical Rate Filing_2014.01/</i>				

## Amendment Letter

Submitted Date: 07/23/2013

### Comments:

This amendment includes the final revisions to HIC's index and area factors and the supporting document exhibits a crosswalk from our initial submission to this final submission. Please see the HHP filing, for the updated HHP rating manual.

### Changed Items:

*No Form Schedule Items Changed.*

SERFF Tracking #:

HUMA-129002825

State Tracking #:

278121

Company Tracking #:

State: Colorado

Filing Company:

Humana Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name: HIC Small Group Medical Rate Filing\_2014.01

Project Name/Number: HIC Small Group Medical Rate Filing\_2014.01/

## Rate/Rule Schedule Item Changes

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v6F.pdf,	07/23/2013 By:

## Previous Version

1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v6.pdf,	07/10/2013 By: Jason Hill
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## Previous Version

1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v4.pdf,	06/28/2013 By: Jason Hill
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## Previous Version



<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Rate/Rule Schedule Item Changes						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v3.pdf,	06/19/2013 By: Jason Hill
Previous Version						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01v2.pdf,	06/05/2013 By: Jason Hill
Previous Version						
1	HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01.pdf,	05/15/2013 By: Jason Hill

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	HR-1 Form (H)
<b>Comments:</b>	
<b>Attachment(s):</b>	HR-1 Form 2014_01 PPO.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>HR-1 Form (H)</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>HR-1 Form 2014_01 PPO.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>HR-1 Form (H)</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>HR-1 Form 2014_01 PPO.pdf</i>

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf Exhibitlv5.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf Exhibitlv4.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

<b>Attachment(s):</b>	<i>Exhibitlv3.pdf</i> <i>COActuarialMemorandumHICv2.pdf</i> <i>ObjectionIndexRate.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>Exhibitlv3.pdf</i> <i>COActuarialMemorandumHICv2.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>COActuarialMemorandumHIC.pdf</i> <i>Exhibitlv3.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>COActuarialMemorandumHIC.pdf</i> <i>Exhibitl.pdf</i>

<b>Satisfied - Item:</b>	Rating Sample
<b>Comments:</b>	
<b>Attachment(s):</b>	RateSampleHICv2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Rating Sample</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>RatingSamplev2.pdf</i>

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Rating Sample</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>Rate SampleHIC.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Rating Sample</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>RatingSample.pdf</i>

<b>Satisfied - Item:</b>	Revision Reconciliation
<b>Comments:</b>	
<b>Attachment(s):</b>	RevisionReconciliation.pdf

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

## Note To Filer

**Created By:**

Nichole Boggess on 08/13/2013 12:59 PM

**Last Edited By:**

Nichole Boggess

## Submitted On:

08/13/2013 01:00 PM

**Subject:**

### Final disposition letter

**Comments:**

Attached is a revised disposition letter

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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

## Note To Reviewer

**Created By:**

Jason Hill on 07/31/2013 03:31 PM

**Last Edited By:**

Jason Hill

**Submitted On:**

07/31/2013 03:31 PM

**Subject:**

Final CO HIC Letter

**Comments:**

Please see Attachment.



July 31, 2013

Mr. Tom Abel  
Colorado Division of Insurance  
Denver, CO 80202

**RE: Humana Insurance Company, Inc.  
Small Group PPO Rate Filing**

Dear Mr. Abel:

The purpose of this letter is to outline the changes to the rate manual and URRT Template for the Humana Insurance Company 2014 rate filing.

1. Area Factors

Based on the 7/31 conversation with the Division, Humana has agreed to modify the area factors to match the original area factors submitted on 5/15. Humana would like to note that these area factors were developed based on inaccurate data and the resulting premium rates will be inadequate in relation to the benefits provided. Humana, at the earliest opportunity, will file an adjustment to the area factors to correct the error.

2. Walmart/CVS Rx Plan Benefit Factor

The Walmart/CVS Rx Plan Benefit factors have been removed from the rate manual.

3. Composite Rating

The reference to the development of Composite Rates has been removed from the rate manual. While Humana believes the final market reform regulations allow for issuers to offer a composite rate developed from the per-member rating methodology, Humana has agreed to remove the composite rating methodology from the rate filing. All rates will be developed for every employee utilizing the per-member rating methodology outlined in the Market Reform Regulations of the Affordable Care Act.

4. URRT Template

The URRT Template has been modified to align with the URRT Template submitted on 7/10. The URRT was also modified to align the Projected Risk Adjustments from the original 5.9% to 3.0% based on previous conversations with the Division.

Sincerely,

A handwritten signature in black ink that reads "Paul D. Roe". The signature is written in a cursive, slightly stylized font.

Paul D. Roe, ASA, MAAA  
Managing Actuary – Small Business

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

## Note To Reviewer

**Created By:**

Jason Hill on 07/19/2013 03:36 PM

**Last Edited By:**

Jason Hill

## Submitted On:

07/19/2013 03:37 PM

**Subject:**

## Outstanding Objections

**Comments:**

Due to a current conversation with the DOI. We will submit all outstanding objections for HIC and HHP at the time that a decision has been made regarding the HMO Select Network. Thank you.



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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

## Note To Filer

**Created By:**

Michael Muldoon on 07/13/2013 08:44 PM

**Last Edited By:**

Michael Muldoon

**Submitted On:**

07/13/2013 08:50 PM

**Subject:**

Have requested a meeting for Tuesday July 16th for Humana SG to explain all rating factor changes made in the filing.

**Comments:**

I have requested a meeting with Cathy Gilliland and Nichole Boggess in the Colorado DORA office for Tuesday to ask you to explain all rating factor changes that have been made through the most recent rate manual submission of July 10th. Also to discuss the response to my objection regarding the Carry-Over-Credit.

This will also apply to the related Humana Health Plan SG filing 278120.

Please contact Cathy or Nichole for any follow-up to this meeting request.

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

## Note To Filer

**Created By:**

Michael Muldoon on 07/13/2013 07:28 PM

**Last Edited By:**

Michael Muldoon

## Submitted On:

07/13/2013 07:31 PM

**Subject:**

Area factor detail support may be submitted confidentially

**Comments:**

Regarding my objection request from July 13th:

Detailed support for how area factors were developed may be submitted in a confidential document, as was the confidential MSA exhibit submitted previously.

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

## Note To Filer

**Created By:**

Cathy Gilliland on 05/23/2013 09:27 AM

**Last Edited By:**

Cathy Gilliland

**Submitted On:**

05/23/2013 09:27 AM

**Subject:**

URRT

**Comments:**

Please provide the URRT is an xls format as we are not able to open in xls

---

**State:** Colorado **Filing Company:** Humana Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO  
**Product Name:** HIC Small Group Medical Rate Filing\_2014.01  
**Project Name/Number:** HIC Small Group Medical Rate Filing\_2014.01/

## Post Submission Update Request Processed On 06/04/2013

Status: Allowed  
Created By: Jason Hill  
Processed By: Cathy Gilliland  
Comments:

### General Information:

Field Name	Requested Change	Prior Value
PPACA	Non-Grandfathered Immed Mkt Reforms	Non-Grandfathered Immed Mkt Reforms, Grandfathered Immed Mkt Reforms
Requested Filing Mode	File & Use	Review & Approval

**State:** Colorado **Filing Company:** Humana Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO  
**Product Name:** HIC Small Group Medical Rate Filing\_2014.01  
**Project Name/Number:** HIC Small Group Medical Rate Filing\_2014.01/

**Company Rate Information:**

Company Name: Humana Insurance Company

Field Name	Requested Change	Prior Value
Company Rate Change	New Product	Neutral
Written Premium Change for this Program	\$0	\$447592
# of Policy Holders Affected for this Program	0	467
Written Premium for this Program	\$0	\$8702208
Product Names:	Copay 14, HDHP 14, EHDHP 14, Simplicity 14, COINS 14	AGHDHP 10 PPO Coins, AGHDHP 10 PPO Copay, AGHDHP 11 PPO Coins, AGHDHP 11 PPO Copay, Basic, Basic & Std, Basic Indemnity, Basic PPO, Basic&STD Indemnity, Coins02, Conver Basic Indemnity, Conver STD Indemnity, Conver-PPO, Copay02, Covg First, CvgFirst 10 PPO, DedFirst PCA 10 PPO, Embedded HDHP, HDHP, HumanaCoverageFirst 08, HumanaEHDHP 08, HumanaHDHP 08, HumanaPPO 08, HumanaPPO 08 Coins, HumanaPPO 08 Coins PCA, Indemnity/Classic, PPO 10 Copay, PPO 11 Copay, PPO Humana Simplicity, Standard Indemnity, Standard PPO, Std Coin PCA, Std Coins, Std Copay

**FORMS:**

Other Affected forms: CC2003-P 01/14, CC2003-C 01/14, CO CC2003 et al, CO CC2003M, CO CONV CC2003M-C, CO CC2003M-P, CO CONV INDV INDV, SAR, VIS 24HR

**REQUESTED RATE CHANGE INFORMATION:**

Member Months: 0 121277

**PRIOR RATE:**

Total Earned Premium::	0.000	40,613,735.000
Total Incurred Claims:	0.000	31,242,126.000
Min:	0.000	201.690
Max:	0.000	1,844.830
Weighted Avg.:	0.000	334.880

PPO - Covered Lives	279
PPO - Policy Holders	138
HDHP - Covered Lives	33
HDHP - Policy Holders	15
FFS - Covered Lives	1

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

## FFS - Policy Holders

1

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**State:** Colorado **Filing Company:** Humana Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO  
**Product Name:** HIC Small Group Medical Rate Filing\_2014.01  
**Project Name/Number:** HIC Small Group Medical Rate Filing\_2014.01/

## Post Submission Update Request Processed On 06/05/2013

Status: Allowed  
Created By: Jason Hill  
Processed By: Cathy Gilliland  
Comments:

### Company Rate Information:

Company Name:Humana Insurance Company

Field Name	Requested Change	Prior Value
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#### REQUESTED RATE CHANGE INFORMATION:

Member Months:	4541	0
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**State:** Colorado **Filing Company:** Humana Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO  
**Product Name:** HIC Small Group Medical Rate Filing\_2014.01  
**Project Name/Number:** HIC Small Group Medical Rate Filing\_2014.01/

## Post Submission Update Request Processed On 06/05/2013

Status: Allowed  
Created By: Jason Hill  
Processed By: Cathy Gilliland  
Comments:

### Company Rate Information:

Company Name:Humana Insurance Company

Field Name	Requested Change	Prior Value
REQUESTED RATE:		
Projected Earned Premium:	3,034,952.000	0.000
Projected Incurred Claims:	2,470,682.000	0.000
Min:	201.690	0.000
Max:	1,844.830	0.000
Weighted Avg.:	668.340	0.000



SERFF Tracking #:

HUMA-129002825

State Tracking #:

278121

Company Tracking #:

State:

Colorado

Filing Company:

Humana Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HIC Small Group Medical Rate Filing\_2014.01

Project Name/Number:

HIC Small Group Medical Rate Filing\_2014.01/

## Form Schedule

Lead Form Number: CC2003-P

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1		PPO Policy	CC2003-P 01/14	POL	Other	rate change only		
2		PPO Certificate	CC2003-C 01/14	CER	Other	rate change only		
3		PPO Mandated Policy	CO CC2003M-P	POL	Other	rate change only		
4		PPO Mandated Certificate	CO CC2003M-C	CER	Other	rate change only		
5		PPO Mandated Conversion Contract	CO CONV INDV	POL	Other	rate change only		
6		Supplemental Accident Rider	SAR	POLA	Other	rate change only		
7		Vision Care Rider	VIS	POLA	Other	rate change only		
8		Prescription Drug Benefit [Rider]	RX 01/14	POLA	Other	rate change only		
9		24-Hour Coverage Benefit [Rider]	24HR	POLA	Other	rate change only		

### Form Type Legend:

<b>ADV</b>	Advertising	<b>AEF</b>	Application/Enrollment Form
<b>CER</b>	Certificate	<b>CERA</b>	Certificate Amendment, Insert Page, Endorsement or Rider
<b>DDP</b>	Data/Declaration Pages	<b>FND</b>	Funding Agreement (Annuity, Individual and Group)

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

<b>MTX</b>	Matrix	<b>NOC</b>	Notice of Coverage
<b>OTH</b>	Other	<b>OUT</b>	Outline of Coverage
<b>PJK</b>	Policy Jacket	<b>POL</b>	Policy/Contract/Fraternal Certificate
<b>POLA</b>	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	<b>SCH</b>	Schedule Pages

**State:** Colorado **Filing Company:** Humana Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO  
**Product Name:** HIC Small Group Medical Rate Filing\_2014.01  
**Project Name/Number:** HIC Small Group Medical Rate Filing\_2014.01/

## Rate Justification

### Rate Methodology

Experience Used for Rate Setting: Colorado SG PPO and HMO 2012 experience. Humana SG PPO was not large enough to be fully credible by itself. 2012 Experience Period Loss Ratio: HIC SG PPO experienced an 80.3oss ratio on an average of 342 enrolled members with \$1.98 Million in premium (\$485.01 pmpm). This data was deemed to be 41.2 redible. Humana HMO SG experience was used for the remaining credibility. Annual Health Cost Trends: 7.0rend. Risk Adjustment: -3.0payments expected from the federal Risk Adjustment Program in 2014). Smoking Factor: 0igher rates for smokers at all ages.

Age Rating: 3.0 to 1.0 age rating factor limits for all adults age 21 and over.

\* Federal Reported 2014 Comparable Average Premium: \$381.48.

### Final Disposition Letter

\* This is reported on the issuer's CMS URRT Form submitted in HIOS. It represents a standardized average premium calculation that is used by CMS for comparing and gauging premium development. It is not necessarily the actual average premium, which is shown in the line above as Colorado 2014 Overall Average Premium.

Premium Retained to Cover Expenses, Taxes Fees and Profits Administrative costs: Expenses the insurance company pays to operate this insurance plan.

This includes all expenses not directly related to paying claims, such as, but not limited to, salaries of company employees, the cost of the company's offices and equipment, commissions

to agents to sell and service policies, subsidies to cover legally required plans such as portability, and taxes.

Profit: The amount of money remaining after claims and administrative expenses are paid. Margin is the comparable term for a nonprofit insurance company.

Average premium retention is 20.0shown as follows:

f Premium

Issuer Primary Expense and Profit Retention

Retained

Administrative Expenses:

8.11 ommissions:

5.30rofit and Contingencies:

2.20nvestment Income:

0.00A)

Total:

15.61etention for Additional Required Taxes, Fees and Assessments

PPACA Fees:

3.95remium Taxes:

0.00ther Fees, Assessments, Taxes:

0.44B)

Total:

4.39

dditional Allowed for QI

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	SERFF
<b>Rate Change Type:</b>	Increase
<b>Overall Percentage of Last Rate Revision:</b>	5.140%
<b>Effective Date of Last Rate Revision:</b>	06/01/2012
<b>Filing Method of Last Filing:</b>	SERFF

## Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Humana Insurance Company	New Product	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

Product Type:	HMO	PPO	EPO	POS	HSA	HDHP	FFS	Other
Covered Lives:								
Policy Holders:								

**State:** Colorado **Filing Company:** Humana Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO  
**Product Name:** HIC Small Group Medical Rate Filing\_2014.01  
**Project Name/Number:** HIC Small Group Medical Rate Filing\_2014.01/

## Rate Review Detail

### COMPANY:

Company Name: Humana Insurance Company  
HHS Issuer Id: 73288  
Product Names: Copay 14, HDHP 14, EHDHP 14, Simplicity 14, COINS 14  
Trend Factors: annual trend of 7.0%

### FORMS:

New Policy Forms:  
Affected Forms:  
Other Affected Forms: CC2003-P 01/14, CC2003-C 01/14, CO CC2003M-C, CO CC2003M-P, CO CONV INDV, SAR, VIS 24HR

### REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual  
Member Months: 4,541  
Benefit Change: None  
Percent Change Requested: Min: 0.0 Max: 0.0 Avg: 0.0

### PRIOR RATE:

Total Earned Premium: 0.00  
Total Incurred Claims: 0.00  
Annual \$: Min: 0.00 Max: 0.00 Avg: 0.00

### REQUESTED RATE:

Projected Earned Premium: 3,034,952.00  
Projected Incurred Claims: 2,470,682.00  
Annual \$: Min: 201.69 Max: 1,844.83 Avg: 668.34

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		HIC SB Rating Manual 2014.01		Revised	Previous State Filing Number: 274995 Percent Rate Change Request: 5.14	HIC SB Rating Manual 2014.01FINAL.pdf,

# **HIC Small Business Non-Grandfathered Rate Manual**

**HUMANA INSURANCE COMPANY**  
**This is the rate filing for Humana's Small Business Products.**

**Medical Rating Formula**

The medical rates for coverage types are calculated as follows:

- 1.) Index Rate
- 2.) x Area Factor
- 3.) x Age Factor
- 4.) x Medical Plan Benefit Factor

**Drug Rating Formula**

- 1.) Index Rate
- 2.) x Area Factor
- 3.) x Age Factor
- 4.) x Rx Plan Benefit Factor

**TABLE 1**  
Index Rates

<b><i>Date</i></b>	<b><i>Medical</i></b>	<b><i>RX</i></b>
01/01/2014	\$ 325.83	\$ 55.33
02/01/2014	\$ 325.83	\$ 55.33
03/01/2014	\$ 325.83	\$ 55.33
04/01/2014	\$ 331.39	\$ 56.28
05/01/2014	\$ 331.39	\$ 56.28
06/01/2014	\$ 331.39	\$ 56.28
07/01/2014	\$ 337.05	\$ 57.23
08/01/2014	\$ 337.05	\$ 57.23
09/01/2014	\$ 337.05	\$ 57.23
10/01/2014	\$ 342.80	\$ 58.21
11/01/2014	\$ 342.80	\$ 58.21
12/01/2014	\$ 342.80	\$ 58.21

**TABLE 2**  
Area Factors

<b><i>Rating Area</i></b>	<b><i>Medical</i></b>	<b><i>Rx</i></b>
Rating Region 1 - Boulder	1.5373	1.4460
Rating Region 2 - Colorado Springs	1.3845	1.4613
Rating Region 3 - Denver	1.3670	1.6447
Rating Region 4 - Fort Collins	2.5298	2.2952
Rating Region 5 - Grand Junction	2.5298	2.2952
Rating Region 6 - Greeley	2.5298	2.2952
Rating Region 7 - Northeast Non-MSA	2.5298	2.2952
Rating Region 8 - Pueblo	2.5298	2.2952
Rating Region 9 - Resort	2.5298	2.2952
Rating Region 10 - Southeast Non-MSA	2.5298	2.2952
Rating Region 11 - West Non-MSA	2.5298	2.2952



**TABLE 3**  
Age Factors

<i><u>Age</u></i>	<i><u>Factor</u></i>		<i><u>Age</u></i>	<i><u>Factor</u></i>
0-20	0.635		43	1.357
21	1.000		44	1.397
22	1.000		45	1.444
23	1.000		46	1.500
24	1.000		47	1.563
25	1.004		48	1.635
26	1.024		49	1.706
27	1.048		50	1.786
28	1.087		51	1.865
29	1.119		52	1.952
30	1.135		53	2.040
31	1.159		54	2.135
32	1.183		55	2.230
33	1.198		56	2.333
34	1.214		57	2.437
35	1.222		58	2.548
36	1.230		59	2.603
37	1.238		60	2.714
38	1.246		61	2.810
39	1.262		62	2.873
40	1.278		63	2.952
41	1.302		64+	3.000
42	1.325			

**Table 4**  
Medical Plan Factors

<u>Plan ID</u>	<u>Metal Tier</u>	<u>Plan Name</u>	<u>Coins</u>	<u>PCP Copay</u>	<u>PCP Ded</u>	<u>PCP OOP</u>	<u>Medical Factor</u>	<u>Rx</u>	<u>Factor</u>
79509CO050									
0001	Gold	Trad Copay PPO	100/70	25	500	4000	0.8103	Rx4 10/30/50/25%	0.8906
0002	Gold	Trad Copay PPO	100/70	25	1000	4000	0.7473	Rx4 10/30/50/25%	0.8906
0003	Silver	Trad Copay PPO	100/70	30	1500	6350	0.6700	Rx4 10/45/70/25%	0.7713
0004	Silver	Trad Copay PPO	100/70	30	2000	6350	0.6306	Rx4 10/35/55/25%	0.8507
0005	Silver	Trad Copay PPO	100/70	35	2000	5000	0.6401	Rx4 10/45/90/25% 100 ded	0.6498
0006	Silver	Trad Copay PPO	90/60	30	1500	6350	0.6145	Rx4 10/45/90/25% 100 ded	0.6498
0007	Silver	Trad Copay PPO	90/60	30	2000	6350	0.5899	Rx4 10/45/90/25%	0.7236
0008	Gold	Trad Copay PPO	80/50	25	500	4000	0.6386	Rx4 10/30/50/25%	0.8906
0009	Gold	Trad Copay PPO	80/50	25	1000	4000	0.5938	Rx4 10/30/50/25%	0.8906
0010	Silver	Trad Copay PPO	80/50	40	1500	5000	0.5326	Rx4 10/45/75/25% 100 ded	0.6805
0011	Silver	Trad Copay PPO	80/50	30	2000	6350	0.4969	Rx4 10/45/75/25%	0.7571
0012	Silver	Trad Copay PPO	80/50	30	2000	6350	0.4969	Rx4 10/35/70/25% 250 ded	0.6458
0013	Silver	Trad Copay PPO	80/50	45	2000	5000	0.5065	Rx4 10/35/50/25% 100 ded	0.7805
0014	Gold	Trad Copay PPO	70/50	20	1000	4000	0.5633	Rx4 10/30/50/25%	0.8906
0015	Silver	Trad Copay PPO	70/50	35	2000	6350	0.4715	Rx4 10/45/75/25% 100 ded	0.6805
0016	Silver	Trad Copay PPO	70/50	40	2000	6350	0.4650	Rx4 10/35/55/25% 250 ded	0.6783
0017	Silver	Trad Copay PPO	60/50	30	2000	6350	0.4483	Rx4 10/45/75/25% 100 ded	0.6805
0018	Silver	Trad Copay PPO	60/50	35	2000	6350	0.4455	Rx4 10/35/75/25%	0.8029
0019	Silver	Trad Copay PPO	60/50	40	2000	6350	0.4402	Rx4 10/40/70/25% 250 ded	0.6270
0020	Silver	Trad Copay PPO	50/50	25	2000	6350	0.4059	Rx4 10/35/75/25%	0.8029
0021	Silver	Trad Copay PPO	50/50	30	2000	6350	0.3925	Rx4 10/30/50/25% 100 ded	0.8032
0022	Silver	Trad Copay PPO	50/50	35	2000	6350	0.3995	Rx4 10/45/75/25% 100 ded	0.6805
0023	Silver	Trad Copay PPO	50/50	40	2000	6350	0.3938	Rx4 10/40/70/25% 250 ded	0.6270
0024	Gold	EHDHP PPO	100/70	0	2000	2000	0.8766	ded/coins	0.0000
0025	Bronze	EHDHP PPO	90/60	0	5000	6350	0.5714	ded/coins	0.0000
0026	Silver	EHDHP PPO	80/50	0	2000	6350	0.6548	ded/coins	0.0000
0027	Bronze	EHDHP PPO	80/50	0	4000	6350	0.5232	ded/coins	0.0000
0028	Bronze	EHDHP PPO	80/50	0	5000	6350	0.4870	ded/coins	0.0000
0029	Silver	EHDHP PPO	70/50	0	1500	6350	0.6335	ded/coins	0.0000
0030	Bronze	EHDHP PPO	70/50	0	3500	6350	0.5175	ded/coins	0.0000
0031	Gold	HDHP PPO	100/70	0	1750	1750	0.8937	ded/coins	0.0000
0032	Bronze	HDHP PPO	100/70	0	5500	5000	0.5615	ded/coins	0.0000
0033	Silver	HDHP PPO	80/50	0	1500	6350	0.6888	ded/coins	0.0000
0034	Bronze	HDHP PPO	80/50	0	4000	6350	0.5081	ded/coins	0.0000
0046	Gold	Simplicity PPO	100/70	30	0	6350	0.6533	SRx4 10/35/55/25%	0.8530
0047	Silver	Simplicity PPO	100/70	50	0	6350	0.4725	SRx4 10/45/90/25%	0.7256
0048	Silver	Simplicity PPO	100/70	50	0	6350	0.3975	SRx4 10/40/70/25%	0.7908
0049	Silver	Coins PPO	80/50	0	2000	5000	0.5046	Rx4 10/45/90/25%	0.7236
0050	Silver	Coins PPO	70/50	0	1500	5000	0.5001	Rx4 10/45/90/25%	0.7236
0051	Bronze	Coins PPO	70/50	0	5000	6350	0.3634	Rx4 10/45/90/25% 100 ded	0.6498
79509CO051									
0001	Silver	Indemnity	80/50	0	2000	5000	0.8413	Rx4 10/45/90/25%	0.7236

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

## Supporting Document Schedules

<b>Satisfied - Item:</b>	HR-1 Form (H)
<b>Comments:</b>	
<b>Attachment(s):</b>	HR-1 Form 2014_01 PPO.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Consumer Disclosure Form
<b>Comments:</b>	This filing does not meet or exceed the "subject to review" threshold.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	ActMemoPartIIHICFINAL.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Unified Rate Review Template
<b>Comments:</b>	
<b>Attachment(s):</b>	plan_management_data_templates_unifiedHICFINAL.xlsm
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Cover Letter
<b>Comments:</b>	
<b>Attachment(s):</b>	CO Letter 8-06-13 - HIC_FINAL.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Rate Review Detail Documentation
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<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

<b>Comments:</b>	Explanations as to how the values in the Rate Review Detail tab were calculated.
<b>Attachment(s):</b>	RateReviewDetail.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Sample Colorado Health Benefit Plan Description Form
<b>Comments:</b>	
<b>Attachment(s):</b>	SG PPO Sample Plan.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf ExhibitIHICFINAL.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Rating Sample
<b>Comments:</b>	
<b>Attachment(s):</b>	State of Colorado - Rate Sample TemplateHICFINAL.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Carrier Attestation
<b>Comments:</b>	
<b>Attachment(s):</b>	CarrierAttestationHIC.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>SERFF Tracking #:</b>	HUMA-129002825	<b>State Tracking #:</b>	278121	<b>Company Tracking #:</b>	
<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company		
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO				
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01				
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/				

***Attachment plan\_management\_data\_templates\_unifiedHICFINAL.xlsm is not a PDF document and cannot be reproduced here.***

**State Of Colorado**  
**Health Rate Filing Form**  
**Form HR-1**

**Reset Form**

<b>Must Be Completed For All Products</b>		SERFF FILING # <b>HUMA-129002825</b>	
1. Company: <b>Humana Insurance Company</b>			
2. Person Responsible For Filing: <b>Paul Roe</b>		3. Title: <b>Actuary</b>	
4. Address Of Responsible Person: <b>1100 Employers Bo</b>		5. Telephone #: <b>(800) 544-7001</b> ext. <b>8007</b>	
6. Email Address: <b>proe@humana.com</b>			
7. <b>Type Of Coverage:</b> <b>PPO</b> Other :			
8. Medicare Supplement: <b>Select One</b> Not Applicable <input checked="" type="checkbox"/>			
(1) Prestandardized Plan(s): (2) Standardized Plan(s): <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input type="checkbox"/> FHD <input type="checkbox"/> G <input type="checkbox"/> H <input type="checkbox"/> I <input type="checkbox"/> J <input type="checkbox"/> JHD <input type="checkbox"/> K <input type="checkbox"/> L (3) 2010 Plans: <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> F <input type="checkbox"/> FHD <input type="checkbox"/> G <input type="checkbox"/> K <input type="checkbox"/> L <input type="checkbox"/> M <input type="checkbox"/> N			
9. <b>Sub Category:</b> <b>Small Group (1-50)</b>			
10. A. Group Information: <b>Employer</b> <b>N/A</b> <b>N/A</b> <b>N/A</b> B. Name of association or trust ( <i>if applicable</i> ): C. Description of discretionary group( <i>if applicable</i> ):			
11. <b>Colorado State Code(s):</b> <b>701 Small Group</b> <b>Select One</b> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <span>N/A</span> <span>N/A</span> <span>N/A</span> </div>			
12. <b>Brief Filing Description</b> (Disability, Major Medical, LTC, Etc. Also Describe All Methodology Changes.): <div style="text-align: center; margin-top: 10px;"><b>Major Medical</b></div>			
13. <b>Reason For Filing:</b>  <div style="margin-top: 10px;"> <b>Increase In Benefits?</b>  <b>Reduction In Benefits?</b>  <b>Increase in Profits?</b>  <b>Change Needed To Meet Projected Losses?</b>  <b>Trend Only?</b>  <b>Change In Rating Methodology?</b>  <b>New Product (Initial Offering As Opposed To Rate Revision)?</b>  <b>Other?</b>  <b>(If other, please explain)</b> </div>		<div style="margin-top: 20px;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Yes <input type="checkbox"/> No         </div>	
14. <b>Policy Form(s) Affected:</b> <b>CC2003 et al, CO CC2003M, CO CONV INDV</b>			

15. If Rider Or Endorsement, <b>Type Of Benefits?</b> <b>NA</b>		
16. Closed Block(s)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date Block Closed:		
17. <b>Number Of Colorado Covered Lives</b> (Including Employees And Dependents): <b>313</b>		
18. A. Rating Period: <b>Other</b> From To		<input checked="" type="checkbox"/> N/A (New Product)
B. Experience Period: From To		
C. Reason for Rate Change:		
D. Average Change In Rates From One Year Prior To Effective Date: <b>0.00%</b>		
19. A. <b>Rate Change Without Trend:</b> <b>0.00%</b>		
B. <b>Trend for Rating Period (if trend factor is used in rates):</b> <b>7.00%</b>		
C. Overall Rate Impact Change: <b>0.00%</b>		
20. A. <b>Current Underlying Annualized Trend Assumption</b> (If Applicable): <b>0.00%</b>		
B. Requested Underlying <i>Annualized</i> Trend Assumption (If Applicable): <b>7.00%</b>		
21. A. <b>What Is The Maximum Rate Change That Can Affect A Policyholder?</b> <b>0.00%</b>		
B. <b>What Is The Minimum Rate Change That Can Affect A Policyholder?</b> <b>0.00%</b>		
(If the selected rate change differs from the indicated rate change, please fully detail in the actuarial memorandum in section 6K.)		
Benefits Ratios ( <b>On Colorado only basis</b> )		
22. A. Targeted Benefits Ratio over Rating Period (assumed in calculation of rates): <b>80.00%</b>		
B. Actual Benefits Ratio over Experience Period: <b>0.00%</b>		<input checked="" type="checkbox"/> N/A (New Product)
23. A. <b>Projected Benefits Ratio With Rate Change over Rating Period</b> <b>0.00%</b>	<input type="checkbox"/> Colorado <input type="checkbox"/> Colorado/Nationwide <input type="checkbox"/> Nationwide Basis	<input checked="" type="checkbox"/> N/A (New Product)
B. Projected Benefits Ratio <b>Without</b> Rate Change over Rating Period <b>0.00%</b>		
(If projected benefits ratios on a Colorado only basis are not available, then ratios developed on a blended Colorado/Nationwide or Nationwide basis are acceptable. Please indicate above.)		
24. <b>Proposed Effective Date:</b> <b>01/01/2014</b>		
25. A. <b>Total Annual Colorado Written Premium Before Change(s):</b> \$ <b>0</b>		<input checked="" type="checkbox"/> N/A (New Product)
B. <b>Total Annual Colorado Written Premium After Change(s):</b> \$ <b>0</b>		
C. Written Premium Change For This Product (Net Change): \$ <b>0</b>		
26. A. <b>Effective Date</b> of Previous Rate Filing for this Form (including initial filing):		<input checked="" type="checkbox"/> N/A (New Product)
B. Previous SERFF Filing Number(s):		
C. Overall Percentage of Last Rate Change for Affected Policy Forms: <b>0.00%</b>		
27. <b>Experience Provided:</b> <input type="checkbox"/> Nationwide <input type="checkbox"/> Colorado <b>0-2 Years (New plan only)</b> <input type="checkbox"/> other (specify)		<input checked="" type="checkbox"/> N/A (New Product)
28. <b>Small Group Filings Only: Unique Single Index Rate</b> (Effective For All Small Group Plans):		<b>381.16</b>

**General Information**

This filing is for the 1-50 small group market, with an effective date of 01/01/2014.

Company Identifying Information:

Company Legal Name: **Humana Insurance Company**  
 State: **CO**  
 HIOS Issuer ID: **79509**  
 Market: **Small Group**  
 Effective Date: **01/01/2014**

Company Contact Information:

Primary Contact Name: **Jason Hill**  
 Primary Contact Telephone Number: **920-337-5488**  
 Primary Contact Email Address: **jhill11@humana.com**

**Purpose:**

The purpose of this actuarial memorandum is to provide supporting justification to the Unified Rate Review template with the goal of demonstrating compliance with the market rating rules, as well as reasonableness of any proposed rates.

In addition, this actuarial memorandum provides required actuarial certifications related to:

- the methodology used to calculate the AV Metal Value for each plan
- the appropriateness of the essential health benefit portion of premium upon which advanced payment of premium tax credits (APTCs) are based
- the index rate is developed in accordance with federal regulations and the index rate along with allowable modifiers are used in the development of plan specific premium rates

This filing should be used for no other purposes.

This memorandum was prepared by a qualified actuary, and is intended to be reviewed by a qualified actuary

**Proposed Rate Increase(s)**Reason for Rate Increase(s):

For 1/1/2014, the company is issuing all new products that comply with the requirements of the Affordable Care Act and is terminating all non-grandfathered products issued before 1/1/2014. In accordance with HHS regulations, the proposed rate increase for all new plans is zero percent.

**Experienced Period Premium and Claims**

Paid Through Date: The date through which payments have been made on Claims incurred during the experience period is

**03/31/2013**

Premiums (net of MLR Rebate) in Experience Period:

Premiums net of MLR rebate:	\$	<b>1,979,801</b>
MLR Rebates:	\$	-
Estimated Rebates to be included:	\$	-

The basis for the Humana Small Business rebate forecast is forecasted membership, premium, claims, and expenses at the state and legal entity level. These forecasted metrics are run through a simulated rebate model, where the various components of rebate legislation are applied. The most impactful adjustments include the credibility adjustment (based on forecasted member months) and the adjustment to remove taxes and licensing fees from premium. These items are combined to estimate the Rebate Calculation Ratio (RCR), which is then compared against the 80% threshold for the Small Business segment to calculate final expected rebates.

Allowed and Incurred Claims Incurred During the Experience Period

	Allowed Claims	Incurred Claims
Claims that were processed through the issuer's claim system	\$ <b>2,018,483</b>	\$ <b>1,591,113</b>
Claims that were processed outside the issuer's claim system	\$ -	\$ -
Claims incurred but not paid as of paid through date	\$ <b>65,428</b>	\$ <b>51,575</b>

Allowed claims come directly from the an issuer's claims system after eligibility and network discounts are applied, allowed medical claims, allowed Rx claims, and member capitation payments are combined to populate the experience period data above. Member cost sharing is removed from the allowed claims to report the incurred claims entered above.

To estimate incurred claims, all commercial claims experience is segregated by legal entity, processing platform, product, geography and claim category so that appropriate balance of homogeneity and credible size is maintained. The segmentation logic is reviewed at least annually or when significant changes in the block occur (e.g. acquisitions). The paid-to-incurred claim triangles for each block are used to develop completion factors that are applied to each incurred month to estimate ultimate incurred amounts. Estimated ultimate incurred claims for the most recent twelve months are then adjusted for pending claims if there is a material variance from historical levels. Finally, the completion factors and estimated ultimate incurred claims are reviewed and may be changed to account for known anomalies in the data that may have distorted the calculation. The difference between the estimated ultimate incurred claims and the current paid-to-date amounts is the estimate of the incurred but not paid claims for each incurred month. In the calculation process, completion factors, per typical actuarial practice, are not permitted to be greater than 1.00. That is, no coverage month is permitted to have an incurred claim estimate less than the amount of claims paid to date even though historical experience may indicate that this is likely due to future claim recoveries.

For each month of incurred, the incurred but not reported amount equals the incurred claims estimate minus claims paid to date. Follow-up studies, including monthly historical reserve restatement analyses, are regularly performed to test the accuracy of the reserving methodology and suggest possible improvements.

Allowed but not reported estimates are developed utilizing the combination of the incurred but not reported estimate and the incurred to allowed ratio of historical claims.

**Benefit Categories**

The Benefit Categories are defined as follows:

Inpatient Hospital: Includes non-capitated services for medical, surgical, maternity, mental health and substance abuse, skilled nursing, and other services provided in an inpatient facility setting and billed by the facility.

Outpatient Hospital: Includes non-capitated services for surgery, emergency room, lab, radiology, therapy, observation and other services provided in an outpatient facility setting and billed by the facility. The Outpatient Hospital benefit category uses a combination of both visits and services to determine the utilization per 1,000. For items such as Outpatient Surgery and Emergency Room, where multiple services are rendered and can be billed together, visits are used for the measurement units. For single items that can be billed separately, such as Outpatient Therapy or MRI, services are used for the measurement units.



Professional: Includes non-capitated primary care, specialist, therapy, laboratory, radiology, and other professional services not billed by the facility. The Professional benefit category uses a combination of both visits and services to determine the utilization per 1,000. For items such as Primary Care or Specialist Office visits, where multiple services are rendered and can be billed together, visits are used for the measurement units. For single items that can be billed separately, such as Therapy or MRI, services are used for the measurement units.

Other Medical: Includes non-capitated ambulance, home health care, DME, prosthetics, supplies, vision exams, dental services and other services. The Other Medical benefit category uses a combination of both visits and services to determine the utilization per 1,000. For items such as Home Health visits, where multiple services are rendered and can be billed together, visits are used for the measurement units. For single items that can be billed separately, such as DME, services are used for the measurement units.

Capitation: Includes all services provided under one or more capitated arrangements.

Prescription Drug: Includes drugs dispensed by a pharmacy. This amount should be net of rebates received from drug manufacturers.

#### Projection Factors

0.0%	<p><u>Changes in the Morbidity of the Population Insured:</u></p> <p>This adjustment is intended to capture the change in underlying morbidity for the risk pool in 2014 compared to the current risk pool. In the small group market, the company is projecting little to no impact due to this projected factor in 2014. This industry morbidity assumption is based on a number of third-party industry wide studies and a nationwide internal analysis.</p>
1.8%	<p><u>Changes in Benefits:</u></p> <p>All new plans must cover the essential health benefits package in 2014. The specifics of the essential health benefits are contained within the benchmark plan selected in each state. There are number benefits that are considered to require rate increases in the small group market: women's preventive health, behavioral services and other state-specific services outlined in the benchmark plan and currently not reflected in the experience period data. Seven months of the experience period does not include the expected cost from the Women's Preventive Legislation and has been allocated as a percent of premium. The rate increase associated with this benefit change is .7%.</p> <p>Federal Mental Health Parity requirements is currently not in the experience period, the rate increase associated with this benefit change is .3%.</p> <p>For this state and legal entity, this list of other state specific services outlined in the benchmark plan include: Pediatric Dental and Vision, Cochlear implants, Prosthetics, and Tobacco Cessation. The rate increase associated with these benefits changes is .7712%.</p>
0.0%	<p><u>Changes in Demographics:</u></p> <p>The company is assuming the same average mix of population by age, gender, and region in the projected period as in the underlying base period experience.</p>
-3.0%	<p><u>Other adjustments:</u></p> <p>This adjustment is intended to capture the change in the company's existing risk as it converges to the market average risk due to lack of underwriting. This percentage was estimated based on a study performed by Wakely Consulting which developed the risk of each carrier's book of business relative to the small group market in the state.</p>
13.8%	<p><u>Trend Factors (cost/utilization):</u></p> <p>The cost trend captures pure unit cost changes from midpoint 2012 to midpoint 2014, calculated using the same basket of services each period, due to price/contract negotiations and provider distribution changes.</p> <p>Inpatient Hospital, Outpatient Hospital, Professional, Capitation and Other Medical cost trends are developed based on historical area specific cost trends from Humana's Small Commercial block of business data. Future cost trends are developed based on expected changes in Humana's Commercial contracts. Pharmacy cost trends are developed based on historical brand, generic, and specialty drug trends from Humana's Commercial data. Future cost trends are developed based on expected changes in these pharmacy contracts.</p> <p>These contractual impacts will be applicable to all members regardless of risk class.</p> <p>Utilization trend:</p> <p>Using Humana's Trend Quantification and Projection model, a baseline utilization trend is developed using Humana's Small Commercial block of business historical medical claims data from 2008 - 2012. The historical baseline utilization trend is developed by removing all known impacts to utilization net trend such as demographics, geography, duration, customer changes, benefit changes, new health technologies, utilization management initiatives, and changes in pertinent days. An economic regression model, based on consumer sentiment, personal disposable income, hospital construction, and high-tech medical equipment spend, is then fit to this historical baseline utilization data to project the future block of business baseline utilization trend for 2013 and 2014.</p> <p>A midpoint to midpoint methodology is applied to determine the applicable baseline utilization trend, which incorporates 2012q3 and 2012q4 actual results at the state and legal entity level with the block of business baseline utilization trend for 2013 and 2014. This results in baseline utilization trends that vary at the state and legal entity level.</p> <p>Other components are added to the baseline utilization trend to develop the total utilization trend provided. These include the following:</p> <ul style="list-style-type: none"> <li>• Pertinent days – Captures changes in the calendar, recognizing that health care utilization varies by day of the week and reporting periods contain varying weekday mix and count. This impact is developed through the use of an external consultant's model which is uploaded with Humana's Commercial claims data.</li> <li>• New Health Technologies – Captures the impact of new health technologies and procedures. An external consulting firm researches new technologies and develops per member per month impacts. These impacts are customized to Humana's Commercial business based on membership and coverage policy.</li> <li>• Management Initiatives – Captures savings for Humana initiatives designed to bend trend by managing utilization, such as case management, disease management, and nurse programs. These initiatives are evaluated by an internal actuarial organization tasked with evaluating the effectiveness of the initiatives. Evaluations are done through a collaborative effort involving clinical and other operational areas. Projected savings are calculated by determining prospective changes to impacted metric values, which are determined by analyzing historical metric values as well as through discussions with clinical and operational areas. Savings are reviewed with leadership to ensure appropriateness of assumptions.</li> </ul> <p>This describes the development of the core utilization trend. All impacts from healthcare reform have been removed and are included in the "Population Risk/Morbidity" and "Other" adjustments from Worksheet 1 to prevent double counting of any impacts.</p>

#### Credibility Manual Rate Development

##### Source and Appropriateness of Experience Data Used:

For markets that are fully credible, the source data used to develop the manual rate is the 12-month experience period for the market for which rates are being submitted. For markets that are not fully credible and the issuer has another legal entity within the state that is fully credible, the source data used to develop the manual rates is a blend of 12-month experience period of another fully credible legal entity from the same state and the 12-month experience period for which rates are being submitted. For markets that are not fully credible and the issuer does not have another legal entity from the same state that is fully credible, the source data used to develop the manual rates is a blend of the 12-month experience period from similar products nationwide and the 12-month experience period for which rates are being submitted.

Since this market is not considered fully credible and a legal entity from the same state is fully credible, the source data used to develop the manual rates for this submission is a blend of the 12-month experience period of the market data and the Humana Health Plan legal entity.

#### Adjustments Made to the Data:

No adjustments made to the data, this source data is fully credible.

#### Inclusion of Capitation Payments:

No adjusted there made to the data, capitation payments are already included within the source data

#### Credibility of Experience

##### Description of the Credibility Methodology Used:

A value of 24,000 member-months of experience is assumed to be fully credible, this value was derived based on analyzing historical experience. Our credibility weight methodology utilizes the following equation:  $\sqrt{\text{member months in experience period}/24000}$ .

Resulting Credibility Level Assigned to Base Period Experience when applying the proposed credibility methodology

0.41

#### Paid to Allowed Ratio

The anticipated paid to allowed average factor over the projection period was developed by separately considering the anticipated paid to allowed factors by each plan tier.

Once calculated, projected member month weights for each plan tier (consistent with those provided in Worksheet 2) were applied to these paid to allowed factors to produce an overall anticipated paid to allowed average factor of 74.5%.

The plan tier paid to allowed factors were developed based on an internal pricing model with underlying utilization and costs reflective of a standard population equal to that of the anticipated membership in the overall 2014 risk pool. These values were developed in accordance with generally accepted actuarial principles and methodologies.

#### Risk Adjustment and Reinsurance

##### Projected Risk Adjustments PMPM:

The adjustment factor to account for Humana's expected transfer amount due to the risk adjustment process was derived from our participation in a study by Wakely Consulting, an actuarial consulting firm. Wakely generated an analysis of carrier risk scores in several states based on the carrier's small group experience. Wakely generated the analysis in states where at least 80% of the insured membership in a state's small group market was included through carrier participation in the study. For the carriers that participated in the study, Wakely received a summary of their membership and de-identified claim experience so that Wakely could generate HCC risk scores for all of the carriers small group membership based on the risk adjuster scoring methodology outlined by HHS. Each carrier was supplied a summary exhibit that showed the average risk score, expected risk score, average actuarial value, average rate factor, and induced demand factor for their small group block of business. Wakely generated the expected transfer amount for each carrier based on this study. Humana then applied an expected transfer amount based on the difference in our average premium per member to the state average small group premium per member taken from the 2011 MLR rate filing experience supplied by CCIIO. The combination of the transfer amount and the difference between our average premium and the state average premium would produce the needed adjustment to our index rate for the expected risk adjuster transfer amount.

According to the Wakely analysis the projected risk adjustment PMPM was estimated to be \$22.45 PMPM for this state and legal entity. Based on discussions with the CO Division, the Division limited the risk adjuster transfer to be no more than a 3% impact to premium. The projected risk adjuster PMPM on the URRT has been modified to \$11.71 based on this guidance from the CO Division. Due to the limited credibility of the CO HIC block the \$11.71 was derived to equal 3% of the Single Risk Pool Gross Premium Avg Rate on the URRT.

Reinsurance: Projected ACA reinsurance recoveries as a percent of premium have been accounted for in the Taxes and Fees percentage detailed

##### Projected ACA Reinsurance Recoveries Net of Reinsurance Premium (Individual Market and Combined Markets Only)

This does not apply to the small group market.

#### Non-Benefit Expenses and Profit & Risk

Expenses are based on our internal forecast for 2014. Expenses are estimated based off of current costs, projected volume changes and estimated changes in department workload. These expenses are simply loaded as a flat percentage of premium at this point in time and do not vary by product or plan.

##### **13.0% Administrative Expense Load**

- Broker & Sales Commissions: Compensation expenses associated with business issued through an agent or agency
- Quality Expenses: Expenses associated with quality that are allowed adjustments under the Medical Loss Ratio standards
- Clinical & Network Operations: non-quality clinical costs, provider contracting, and network maintenance & development
- IT Expenses: costs associated with maintenance and development of systems
- Customer Service & Account Installation: call center, customer service, and account management
- Corporate Administration: shared functions that are not exclusive to small group medical segment, including corporate finance, legal, human resources, etc.
- Small Group Administration: functional areas & personnel that solely work on small group medical segment
- Direct Response, Marketing, & Agency Management: direct to consumer marketing expenses, other marketing expenses and agency management expenses

##### **2.2% Profit (or Contribution to Surplus) & Risk Margin**

- Profit margin is shown on a pre- tax basis and does not include investment income. The margin shown does not vary by product or plan.

##### **3.7% Taxes and Fees**

- 0.8% •State Premium Tax: state premium tax; charged on a percentage of premium
- 1.30% •Federal Insurer Annual Fee: assessment created in 2014 by PPACA. Estimated at 1.3% of premium. Not income tax deductible
- 1.50% •Federal Reinsurance Assessment Fee: assessment created in 2014 by PPACA. Estimated at 1.5% of premium.

##### **0.02% Risk Adjuster Fee: charged on a percentage of premium basis to fund the risk adjuster process**

- 0.05% •Comparative Effectiveness Fee: charged on a percentage of premium to fund comparative research conduct research evaluating and comparing health outcomes and the clinical effectiveness, risks and benefits of medical treatments.

### Projected Loss Ratio

The projected loss ratio using the Federally prescribed MLR methodology is :

Demonstration:

$(2014 \text{ Claims}/2014 \text{ Premium}) + (\text{Quality Expenses as a \% of Premium}) / (1 - \text{Taxes and Fees as a \% of Premium})$

$((2,231,680 / 2,789,508) + 1.6\%) / (1 - 3.7\%) =$

**84.7%**

For this state and legal entity name, the projected loss ratio reported above was estimated using the 2-50 group segment experience, this does not align with the state's small business definition for calculating MLR rebates.

If the projected loss ratio is less than 80%, then the company comply with the Federal MLR requirements outlined in PHSA 2718.

### Index Rate

The Experience Period is for coverage months between January 2012 and December 2012, over which time the covered benefits offered by the company were leaner than The Essential Health benefits required by the Affordable Care Act. Therefore, the index rate for the Experience Period is set equal to the total Allowed Claims PMPM in the Experience Period, with EHB pricing assumptions used to approximate the portion of the rate which covers EHB requirements in the projected period.

There are no state mandated covered benefits that are included in allowed claims but excluded from the index rate.

The following market-wide adjustments are applied to the projected index rate as the first step in determining plan level "index" rates:

1) Adjustments for the net impacts of both risk adjustment and reinsurance. See "Risk Adjustment and Reinsurance" earlier section for more details of this market-wide adjustment.

2) Expense estimates were based on our internal forecast for 2014. They were estimated based on current costs, modified to accommodate projected volume changes and changes in department workload. These are presented as a flat percentage of premium at this point in time and do not vary by product or plan, and thus are essentially another market-wide adjustment applied to the projected index rate.

3) An adjustment for the addition of non-EHB benefits (additional benefits we provide at our own discretion, as well as any state mandated benefits not reflected in the benchmark plan). It is assumed that the addition of such benefits increases costs to all plans uniformly, hence it is essentially handled as a market-wide adjustment.

Then the following plan-specific adjustments are applied to determine plan level "index" rates:

4) Each of the plan tier pricing actuarial values (AVs) were developed based on an internal pricing model with underlying utilization and costs reflective of a standard population equal to that of the anticipated membership in the overall 2014 risk pool. The data used to produce the small group pricing AVs was based on a standard population of commercially insured membership purchased from a third party vendor. Then, the 2014 plan design parameters were applied to those allowed claims to produce paid claims and pricing AV's. The company did not use the experience of the terminating products when determining the pricing adjustment due to the low membership on any particular plan which makes the experience not credible. These values were developed in accordance with generally accepted actuarial principles and methodologies.

5) The development of the index rate includes the anticipated average unit costs derived from the provider networks that will be available on this legal entity in this state. These average unit costs are the result of charge levels, network discounts, delivery system characteristics and utilization management practices across the entire state, for this legal entity.

6) The impact of Non-EHBs on the index rate is 0.08%.

### AV Metal Values

The AV Metal Values entered in Worksheet 2 of the Part I Unified Rate Review Template were entirely based on the AV calculator unless listed below. For those plans listed below, an alternative methodology was used to generate AV Metal Values and a copy of the actuarial certification required by 45 CFR Part 156, §156.135 has been provided for each occurrence along with this memorandum. For each actuarial certification, the chosen alternate methodology and the reason the benefits for a particular plan are not compatible with the AV Calculator are detailed. Each certification has been signed by a member of the American Academy of Actuaries, and the generated AV Metal values were developed in accordance with generally accepted actuarial principles and methodologies.

Below is the list of plans where an alternative methodology was used to generate AV Metal Values

All plans were entirely based on the AV calculator.

### AV Pricing Values

The fixed reference plan selected as the basis for the AV Pricing Values is: 79509CO0500011

### Membership Projections

The company is terminating all non-grandfathered plans issued before 1/1/2014 and is projecting that groups will renew on similar plans throughout 2014. The membership projections found in Worksheet 2 of the Part I Unified Rate Review Template are based mapping membership from non-ACA compliant plans to 2014 ACA compliant plans. The overall membership volume is adjusted for anticipated market growth, in-force persistency, and relative competitiveness via our internal market level projection models.

### Terminated Products

The product names being terminated prior to the effective date have been listed below. The list encompasses both products that have experience included in the single risk pool during the experience period and any products that were not in effect during the experience but were made available thereafter.

List of Terminated Products:

75909CO019	75909CO037
75909CO020	75909CO038
75909CO021	75909CO039
75909CO022	75909CO040
75909CO023	75909CO041
75909CO024	75909CO042
75909CO025	75909CO043
75909CO026	75909CO044
75909CO027	75909CO045
75909CO028	75909CO046
75909CO029	75909CO047
75909CO030	75909CO048
75909CO031	75909CO049
75909CO032	75909CO050

75909CO033 75909CO051  
75909CO034 75909CO052  
75909CO035 75909CO053  
75909CO036 75909CO054

### Plan Type

The plan types selected in the drop-down boxes in Worksheet 2, Section I of the Part I Unified Rate Review Template for each of the company's plans do not require further explanation. The company's plan types align with the definitions found on the Healthcare.gov website.

### Warnine Alerts

Benefit Category	Utilization Description	Utilization per 1,000	Average Cost/Service	PMPM	Pop'l risk Morbidity	Other	Cost	Util	Utilization per 1,000	Average Cost/Service	PMPM	Utilization per 1,000	Average Cost/Service	PMPM
Inpatient Hospital		142.23	\$5,967.19	\$ 70.73	1.000	0.987	1.054	1.025	149.43	\$ 6,544.70	\$ 81.50	\$ 197.51	\$ 5,063.70	\$ 83.34
Outpatient Hospital		1,990.94	941.80	156.26	1.000	0.987	1.053	0.992	1,959.21	1,030.99	168.33	\$ 1,938.80	564.97	91.28
Professional		9,648.03	201.56	162.06	1.000	0.987	1.020	1.041	10,455.39	207.04	180.39	\$ 8,049.74	148.50	99.62
Other Medical		823.59	105.64	7.25	1.000	0.987	1.019	1.091	980.30	108.30	8.85	\$ 1,028.05	120.64	10.34
Capitation		12,000.00	3.43	3.43	1.000	0.987	1.082	1.000	12,000.00	3.97	3.97	\$ 12,000.00	5.92	5.92
Prescription Drug		298.45	3,810.19	94.76	1.000	0.987	1.098	1.007	302.64	4,535.13	114.38	\$ 278.99	2,486.85	57.82
Total				\$ 494.48							\$ 557.40		23,493	\$ 348.31

Benefit Category	Utilization Description	Utilization per 1,000	Average Cost/Service	PMPM	Pop'l risk Morbidity	Other	Cost	Util	Utilization per 1,000	Average Cost/Service	PMPM	Utilization per 1,000	Average Cost/Service	PMPM
Inpatient Hospital		142.23	\$5,967.19	\$ 70.73	1.000	1.000	1.047	1.025	149.43	\$ 6,544.70	\$ 81.50	197.51	\$ 5,063.70	\$ 83.34
Outpatient Hospital		1,990.94	941.80	156.26	1.000	1.000	1.038	1.000	1,990.94	1,014.56	168.33	1938.80	564.97	91.28
Professional		9,648.03	201.56	162.06	1.000	1.000	1.013	1.041	10,455.39	207.04	180.39	8049.74	148.50	99.62
Other Medical		823.59	105.64	7.25	1.000	1.000	1.012	1.091	980.30	108.30	8.85	1028.05	120.64	10.34
Capitation		12,000.00	3.43	3.43	1.000	1.000	1.075	1.000	12,000.00	3.97	3.97	12000.00	5.92	5.92
Prescription Drug		298.45	3,810.19	94.76	1.000	1.000	1.091	1.007	302.64	4,535.13	114.38	278.99	2,486.85	57.82
Total				\$ 494.48							\$ 557.40		23,493	\$ 348.31

Due to an error in the Unified Rate Review Template, values cannot be less than a 1.0000. Figure A. shows our intentions and true PMPM by service category whereas Figure B. shows the modified exhibit which totals the same PMPM after adjustments to the other, cost, and utilization components.

### Reliance

I, Paul Roe, ASA, MAAA, relied on information and underlying assumptions provided by internally developed pricing and modeling as well as third party consultant data in the establishment of these rates.

### Actuarial Certification

I, Paul Roe, ASA, MAAA, am a Managing Actuary employed by Humana Insurance Company. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the Statement of Actuarial Opinion contained herein.

I hereby certify that to the best of my knowledge and judgment and based upon the information presented to me

1. The projected index rate is: \$350.70

- in compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)).
- developed in compliance with the applicable Actuarial Standards of Practice.
- reasonable in relation to the benefits provided and the population anticipated to be covered
- neither excessive nor deficient.

2. That the index rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates

3. That the percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.

4. That the AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans except those specified in the certification. For plans where an alternate methodology was used to calculate the AV Metal Value, a copy of the actuarial certification required by 45 CFR Part 156, §156.135 has been included. That certification was signed by a member of the American Academy of Actuaries, where he or she indicated that the values were developed in accordance with generally accepted actuarial principles and methodologies. That certification also includes a reason and a description of the alternate methodology that was used for each applicable plan.

This opinion is qualified, in that the Part I Unified Rate Review Template does not demonstrate the process used by the issuer to develop the rates. Rather, it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of qualified health plans for Federally facilitated exchanges and for certification that the index rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.

Actuary signature:

Paul Roe, ASA, MAAA  
Managing Actuary

Date: August 06, 2013



August 6, 2013

Mr. Tom Abel  
Supervisor, Rate and Forms Section  
Colorado Department of Regulatory Agencies  
Denver, CO 80202

**RE: Humana Insurance Company  
Small Group PPO Rate Filing**

Dear Mr. Abel:

This letter compares and explains differences between the attached rate manual, rate template and URRT and the original rate manual, rate template and URRT submitted on 5/15 for the Humana Insurance Company 2014 rate filing. The attached rate manual, rate template and URRT address the outstanding issues raised by the Division and makes revisions based on previous conversations and communications with the Division.

**1. Index Rates**

The attached 8/6 index rates illustrated in TABLE 1 of the rate manual are 2.9% higher than the original index rates submitted on 5/15. The increase in the attached 8/6 index rates was the result of the modification of the risk adjustment factor. The original 5/15 submission assumed a 5.9% projected risk transfer receipt; however in discussions with the Division, Humana was told that the projected risk transfer receipt should be no more than 3.0%. The 2.9% increase to the original index rate accounts for the arithmetic difference between 5.9% and 3.0%.

	5/15 Submission		8/2 Submission		Change	
<u>Date</u>	<u>Medical</u>	<u>Rx</u>	<u>Medical</u>	<u>Rx</u>	<u>Medical</u>	<u>Rx</u>
01/01/2014	316.65	53.77	325.83	55.33	2.9%	2.9%

**2. Area Factors**

The attached 8/6 area factors included in TABLE 2 are identical to the factors included in the original 5/15 submission.

**3. Age Factors**

The attached 8/6 age factors included in TABLE 3 are identical to the factors included in the original 5/15 submission.

**4. Medical Plan Factor**

The attached 8/6 medical plan factors in TABLE 4 include the following revisions.

- The Trad Copay PPO plan factors have been revised to embed the carry over credit benefit into the medical plan factor. This change was made based on the objection from the Division regarding the optional riders in the rate manual. Humana agreed to remove the benefit as a rider for Trad Copay PPO plans and embed the benefit at an additional cost of 0.56%.

August 6, 2013

- The Walmart/CVS Rx Plan Benefit Factors have been removed from the rate manual. This includes the removal of the medical plan factors for EHDHP Walmart/CVS PPO and HDHP Walmart/CVS PPO in TABLE 4 of the rate manual. The Division objected to the use of these factors that were not included in the rate data template and Humana has agreed to remove the plans and plan factors from the rate manual.
- Please note that the Rate Data Template still includes the EHDHP Walmart/CVS PPO and HDHP Walmart/CVS PPO plans. The Division (via Scott Campbell) has instructed Humana to submit the Plans and Benefits Template that includes all plans shown on the 'Plans' tab. Erin Hermesen, from Humana, sent the Division the plans ID's to remove on July 31<sup>st</sup> and the Division will need to write a disposition to remove these plans. The table below lists the plans ID's requested to be removed.

Humana Insurance Company	
Plan Id's to remove	Plan Name
79509CO0500035	EHDHP Walmart/CVS PPO
79509CO0500036	EHDHP Walmart/CVS PPO
79509CO0500037	EHDHP Walmart/CVS PPO
79509CO0500038	EHDHP Walmart/CVS PPO
79509CO0500039	EHDHP Walmart/CVS PPO
79509CO0500040	EHDHP Walmart/CVS PPO
79509CO0500041	EHDHP Walmart/CVS PPO
79509CO0500042	HDHP Walmart/CVS PPO
79509CO0500043	HDHP Walmart/CVS PPO
79509CO0500044	HDHP Walmart/CVS PPO
79509CO0500045	HDHP Walmart/CVS PPO

In order to avoid an error with the validation of the Templates, these plans were included in the Rate Data Template.

- TABLE 4 was also revised to illustrate the corresponding Rx Plan and Rx Factor. This information was added based on conversations with the Division not being able to determine what Rx plans were tied to each medical plan.

#### 5. Additional Changes

- The Division objected to the composite rating method that was added to the rate manual on 7/23. The composite rating method has been removed from the attached 8/6 rate manual.
- The Division objected to the optional contraceptive rider included in the original 5/15 rate manual. These riders have been removed from the attached 8/6 rate manual.

#### 6. Rate Manual and Rate Data Template

The rates developed using the rating factors in the rate manual have been checked to match the rates in the Rate Data Template submitted in the 8/7 Binder filing.

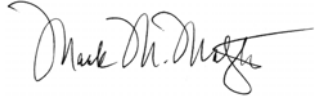
#### 7. Side-by-Side Rate Comparison

Exhibit A provides a side by side comparison between the original 5/15 submission and the current 8/6 submission of the January 1, 2014 rates for a 20-year old on Plan 79509CO0500001 in Boulder. Exhibit A illustrates the changes to the index rate and medical plan factors referenced above between the original 5/15 submission and the attached 8/6 submission.

8. URRT

The Projected Risk Adjustments PMPM has been changed to \$11.71 on the 'Wksh 1 – Market Experience' tab. This value was derived to equal 3.0% of the Single Risk Pool Gross Premium Avg. Rate, PMPM, \$390.02, illustrated on the same tab. This change was made based on prior conversations with the Division about limiting the risk adjustment factor to be no more than a 3.0% impact to premium.

Sincerely,



Mark M. Matzke  
Vice President, Risk Management  
Humana Small Business  
Work: (920) 337-7407  
Cell: (920) 227-8293



Paul D. Roe, ASA, MAAA  
Managing Actuary  
Humana Small Business  
Work: (920) 337-8007  
Cell: (920) 573-7311

**Exhibit A: Side by Side Comparison**

	Humana Insurance Company					
	Initial Filing on 5/15		Final Filing on 08/06			
	Medical	Rx	Medical	Rx		
Index Rate <i>1/1 Effective Date</i>	\$ 316.65	\$ 53.77	\$ 325.83	\$ 55.33	The index rate was increased 2.9% to reflect the change in the projected risk transfer receipt from 5.9% to 3.0%. The 2.9% represents the arithmetic difference of the values.	
Area Factor <i>Boulder Area Factor</i>	1.5373	1.4460	1.5373	1.4460	The area factor has been revised to reflect the original area factor submitted on 5/15	
Age Factor <i>20 year old</i>	0.6350	0.6350	0.6350	0.6350	The standard federal age curve has not changed.	
Medical Plan Factor <i>79509CO0500001</i>	0.8058	0.8906	0.8103	0.8906	The medical plan factor has been increased 0.56% to reflect the Carry-Over Credit Rider being embedded into the Copay plans. The Rx medical plan factors have not changed.	
Total Premium	\$ 249.08	\$ 43.97	\$ 257.73	\$ 45.25	Total Medical rate increase = 3.5% from initial submission to current.	
			3.5%	2.9%	Total Rx rate increase = 2.9% from initial submission to current.	
		\$ 293.05		\$ 302.98	3.4%	



### Company Rate Information

Item	Entry	Explanation
Company Rate Change	Increase	Decrease selected, based on "Overall % Indicated Change" entry below
Overall % Indicated Change	0.00%	
Overall % Rate Impact	0.00%	
Written Premium Change for this Program	\$ -	Entry represents the "Overall % Rate Impact" entry above times the "Written Premium for this Program" entry below. This is the impact to our 12 month historical premium based on the requested rating changes.
# of Policy Holders Affected for this Program	154	Entry is number of SG <u>subscribers</u> active with PPO benefit plans on <u>03/31/2013</u> .
Written Premium for this Program	40,613,735	Given entry is the earned premium for the 12 month period ending <u>03/31/2013</u>
Maximum % Change (where required)	0.0%	
Minimum % Change (where required)	0.0%	

Product Types:

Product Types:  
Number of Policy Holders:  
Number of Covered Lives:

HMO

PPO

EPO

POS

HSA

HDHP

FFS

Other

138
279

15	1
33	1

### Rate Review Detail

Item  
HHS Issuer ID  
Product Names  
Trend Factors

Entry  
73288  
CO PPO 14, CO Indemnity 14  
Annual trend of 7.0%, applied monthly

Trend is built using a Provider Pricing Index (Impact of Pricing Changes), Utilization, Baseline Mix of Services (Severity Adjustment), and Other (Management Initiatives) over the major service categories (Inpatient, Outpatient, Physician, Capitation, Pharmacy, and Other)

Other Affected Forms

CC2003, CO CC2003M, CO CONV INDV

Change Period	Annual	Groups are given rates for a 12-month period
Member Months	121,277	Based on the most recent available, yet credible, 12 month experience period, Feb <u>12</u> -Jan <u>13</u> for SG PPO business issued in CO.
Benefit Change	Neutral	

Min	0.0%	Put in entry matching "Minimum % Change" from Company Rate Information data collection section
Max	0.0%	Put in entry matching "Maximum % Change" from Company Rate Information data collection section
Weighted Avg	0.0%	Put in entry matching "Overall % Rate Impact" from Company Rate Information data collection section

Total Earned Premium		40,613,735	Based on the most recent available, yet credible (allowing 2 months of claims runoff), 12 month experience period, Feb <u>12</u> -Jan <u>13</u> for SG PPO business.
Total Incurred Claims		31,242,126	Incurred benefit costs on the most recent available, yet credible (allowing 2 months of claims runoff), 12 month experience period, Feb <u>12</u> -Jan <u>13</u> for SG PPO business.
Annual \$ [PMPM]:	Min	\$ 201.69	From a snapshot of January <u>2012</u> earned premium, the minimum value among all PMPM values at the group+product level.
	Max	\$ 1,844.83	From a snapshot of January <u>2012</u> earned premium, the maximum value among all PMPM values at the group+product level.
	Weighted Avg	\$334.88	Total earned premium divided by member months for the period Feb <u>12</u> -Jan <u>13</u> .

# Humana Simplicity PPO 14

## Colorado

**How the plan works:** When you or a covered member use the plan for in-network healthcare services, you pay a copayment (a specified dollar amount) for that service – there's no deductible. The out-of-pocket maximum is the amount you are required to pay toward the covered cost of your healthcare. Medical and pharmacy copayments apply towards the in-network out-of-pocket maximum, and medical copayments apply towards the out-of-network out-of-pocket maximum. The out-of-pocket maximum amount is calculated on a calendar year basis.

**Network: Humana's ChoiceCare Network** is one of the largest, most cost-effective physician and hospital networks in the nation. The ChoiceCare PPO network includes over 594,000 contracted providers and 3,800 contracted hospitals across all 50 states and the District of Columbia. This PPO network gives employees coast-to-coast access to favorably priced health care.

Services	Member copay to IN-NETWORK providers		
	Option 1	Option 2	Option 3
<ul style="list-style-type: none"> <li>Preventive services</li> <li>Physician services for inpatient/outpatient hospital, emergency and surgical</li> <li>Laboratory and radiology</li> <li>Injections (including allergy)</li> </ul>	\$0 copay	\$0 copay	\$0 copay
<ul style="list-style-type: none"> <li>Office visit with primary care physician</li> <li>Convenient care clinic</li> <li>Outpatient and office therapy for mental health, serious mental illness, chemical and alcohol dependency</li> </ul>	\$30 copay per visit	\$45 copay per visit	\$50 copay per visit
<ul style="list-style-type: none"> <li>Office visit with specialty physician</li> <li>Urgent care with a Concentra physician</li> <li>Home health care</li> <li>Manipulations, adjustments, physical, occupational, cognitive, speech and audiology therapy (combined limit to 60 visits per calendar year)<sup>1</sup></li> </ul>	\$55 copay per visit	\$85 copay per visit	\$100 copay per visit
<ul style="list-style-type: none"> <li>Skilled nursing facility (limited to 100 days per calendar year)</li> </ul>	\$55 copay per day	\$85 copay per day	\$100 copay per day
<ul style="list-style-type: none"> <li>Urgent care with a non-Concentra physician</li> </ul>	\$100 copay per visit	\$100 copay per visit	\$125 copay per visit
<ul style="list-style-type: none"> <li>Emergency room facility (copay waived if admitted)</li> <li>Advanced imaging</li> <li>Ambulance transportation</li> </ul>	\$250 copay per visit	\$500 copay per visit	\$600 copay per visit
<ul style="list-style-type: none"> <li>Ambulatory surgical facility</li> <li>Outpatient hospital surgical facility and non-surgical facility</li> </ul>	\$350 copay per visit	\$1,000 copay per visit	\$1,500 copay per visit
<ul style="list-style-type: none"> <li>Inpatient hospital services</li> <li>Inpatient hospital services for mental health, serious mental illness, chemical and alcohol dependency</li> </ul>	\$350 copay per day for first three days	\$1,000 copay per day for first three days	\$1,500 copay per day for first three days

<sup>1</sup>Out-of-network limited to 10 of the 60 visits.

## Services

## Option 1

## Option 2

## Option 3

### Additional plan information

#### In-network out-of-pocket maximum<sup>3</sup> –

Individual	\$6,400	\$6,400	\$6,400
Family	\$12,800	\$12,800	\$12,800

**Out-of-network services** – When you or a covered member seek health care services from an out-of-network provider the plan will pay 70% of covered services (child preventive immunizations, child & adult preventive flu/pneumonia, preventive endoscopic/colonoscopy/sigmoidoscopy/proctosigmoidoscopy/colorectal cancer screenings, routine pap, routine mammogram, tobacco screenings, alcohol misuse screenings, cholesterol screenings for lipid disorders, & HPV vaccinations for ages recommended by ACIP/CDC will pay 100% of covered services), after you first pay a deductible (deductible does not apply to child preventive exams, child preventive labs, or child preventive radiology/x-rays up to age 18, and routine prostate screenings), \$5,000 individual or \$10,000 family. Emergency care including ambulance transportation provided by an out-of-network provider will be covered at the in-network provider benefit level, subject to the maximum allowable fee.

#### Out-of-network out-of-pocket maximum<sup>3</sup> –

Individual	\$19,200	\$19,200	\$19,200
Family	\$38,400	\$38,400	\$38,400

### Prescription drug coverage

**Rx4:** You can purchase prescriptions at retail pharmacies, or the plan also offers the convenience of mail order. Most prescription drugs are assigned to one of four levels with corresponding copayment amounts or a discount. Detailed drug lists are available at [Humana.com](https://www.humana.com) for each pharmacy plan and level.

	Level 1	Level 2	Level 3	Level 4	
Select one plan	\$10 copay	\$35 copay	\$55 copay	25% drug cost	<b>Mail Order</b> (up to 90 day supply) 2.5 times the retail copayment
<b>Retail</b> (30 day supply)	\$10 copay	\$40 copay	\$70 copay	25% drug cost	
	\$10 copay	\$45 copay	\$90 copay	25% drug cost	

Specialty drugs obtained at an in-network pharmacy (30 day supply) – members pay 25% of the drug cost through preferred pharmacies like *RightSourceRx* Specialty. Your cost at other network specialty drug pharmacies is 35% of the drug cost. Go to [RightSourceRx.com/specialty](https://www.RightSourceRx.com/specialty) for more information.

NOTE: If an **out-of-network pharmacy** is used, the claim is covered at 70% after applicable in-network copayment, specialty drugs are covered at 50%.

Don't forget to ask for generics. If you use a brand-name medicine when there's a generic available, you will pay the generic copayment plus the difference in cost between the brand and generic. If your doctor believes that the brand is medically necessary and specifies dispense as written on the prescription, you will only pay the applicable copayment

**National Pharmacy Provider Network** – Over 64,000 pharmacies across the country. The network includes all national chains, major regional chains, and more than 25,000 independent pharmacies.

<sup>3</sup>Out-of-pocket maximums for in-network and out-of-network benefits calculate separately.

Insured by Humana Insurance Company

Please refer to your Benefit Plan Document (Certificate of Coverage/Insurance or Summary Plan Description) for more information on the company providing your benefits.

Our health benefit plans have limitations and exclusions.

This is not a complete disclosure of plan qualifications and limitations. Before applying for coverage, please refer to the Regulatory Pre-enrollment Disclosure Guide for a description of plan provisions which may exclude, limit, reduce, modify, or terminate your coverage. This guide is available at [www.disclosure.humana.com](https://www.disclosure.humana.com) or through your sales representative. Premiums and benefits vary based on the plan selected.



[Humana.com](https://www.humana.com)

**ACTUARIAL MEMORANDUM**

Pursuant to Colorado Regulation 4-2-11 Section 6, rate filings must contain an Actuarial Memorandum. The Division of Insurance developed this template and table General filing requirements, Actuarial Certification requirements, and submission requirements are identified in Section 5 of Colorado Regulation without ALL requirements of the regulations could be disapproved or rejected by the Colorado Division of Insurance.

Company:	Humana Insurance Company
NAIC #:	73288
SERFF Filing #:	129002825
SERFF Binder Filing #:	N/A

**A: SUMMARY**

1. Reason(s):	This is a new rate filing.
2. Requested Rate Action:	This filing has been prepared to request approval of 2014 Index Rates and ACA compliant products.
3. Marketing method(s):	Agency/Broker
4. Premium Classification(s):	Premiums are defined by the group characteristics, product benefits, network, and location based on the eleven prescribed regions.
5. Product Description(s):	All PPO and Indemnity Products. There are no substitutions or additional benefits above the EHB. Please see Exhibit II for a summary of products.
6. Policy/Rider Impacted:	N/A
7. Age Basis:	Premiums are charged based on age at renewal.
8. Renewability provision:	All policies are guaranteed renewable at a date one year from when coverage began except only when a group has been terminated for non payment or fraud.
Additional Information:	

**B. ASSUMPTION, MERGER OR ACQUISITION**

1. Is product part of assumption, acquisition, or merger (from or with another company)?	No
Assumption:	No
Acquisition:	No
Merger:	No
2. If yes, provide name of company(s):	N/A
3. Closing Date of assumption, merger or acquisition:	N/A
Additional Information:	

**C. RATING PERIOD**

Proposed Effective Date: (may not say "upon approval")	01/01/2014
Rating Period:	Annual
Rating Period Dates:	01/01/2014 to 12/31/2014

**D. EFFECT OF LAW CHANGES**

Identify and quantify changes resulting from mandated benefits and other law changes:	The percent of claims represented by newly added benefits which are Essential Health Benefits is 0.91% which is comprised of the following services: Pediatric dental/vision (0.59%), Oral surgery for bony teeth and necessary orthodontia (0.07%), Private duty nursing (0.2%), and Chiropractic therapies (0.05%).
Additional Information:	Description of Change related to PPACA, Rate Impact Eliminate Pre-existing Condition Exclusions for Enrollees Under Age 19 0%

**E. RATE HISTORY**

Provide rate changes made in at least the last three years (If available)	N/A
N/A (Initial Filing)	

<b>F: COORDINATION OF BENEFITS</b>		
Provides actual loss experience net of any savings:	Coordination of benefit recoveries is included in all experience exhibits and loss develop	
Additional Information:		
<b>G. RELATIONSHIP OF BENEFITS TO PREMIUM</b>		
Description	Percentage	
Commissions	5.30%	
General expenses	8.11%	
Premium taxes	0.44%	
Profit/Contingencies	2.20%	
PPACA Fees	3.95%	
Exchange Fees	0.00%	
Investment Income	0.00%	
Other		
Total Retention:	20%	
Targeted Loss Ratio:	80%	
<b>H. PROVISION FOR PROFIT AND CONTINGENCIES</b>		
1. Provision for Profit and Contingencies:	%	Pre-FIT After tax
		2.2%
2. Proposed load in excess of 7% after tax.		0.0%
Provide detailed support:		
Additional Information:	Investment income has been considered in the rate making process and is used as a contingency margin in areas where HHP has been unable to achieve a 2.2% profit margin	
<b>I. DETERMINATION OF PROPOSED RATES</b>		
Include all underlying rating assumptions, with detailed support for each assumption. This explanation may be on an aggregate expected loss basis or as a per-member-per-month (PMPM) basis. (this can be attached with support in a pdf document)		
1. Explain, in detail, how rates and/or rate changes were developed:	The estimated index rate is calculated as the average claims PMPM amount, adjusted for expected risk adjustment transfer. Quarterly trend is applied on a quarterly basis, therefore there will be a new index rate every three months.	
2. Provide adequate support for all assumptions and methodologies used:	Please see the Unified Rate Review Template for details.	
<b>J. TREND</b>		
Additional support and information must be provided on the "Historical Trend" and "Normalized Trend" tabs		
Itemized trend component	Trend (%)	
<b>MEDICAL TREND (total)</b>		
Medical provider price increase		
Utilization changes		
Medical cost shifting		
Medical procedures and new technology		
<b>INSURANCE TREND (total)</b>		
Underwriting wearoff		
Deductible leveraging		
Anti-selection		
<b>PHARMACEUTICAL TREND (total)</b>		
Price increases		
Utilization changes		
Cost shifting		
Introduction of new brand and generic drugs		
<b>TOTAL AVERAGE ANNUALIZED TREND (required)</b>	7.00%	
Additional information:		
<b>K. CREDIBILITY</b>		

1. Credibility Percentage (Colorado Only):	% If other, please specify
The above credibility percentage is based upon:	<input checked="" type="checkbox"/> Life Years <input type="checkbox"/> Claims
Other (please specify)	
2. Number of years of data used to calculate above credibility percentage:	1
3. Discuss how and if aggregated data meets the Colorado credibility requirement and how the rating methodology was modified for the partially credible data, if applicable.	N/A
Additional Information: (including collateral data, if used)	Non-grandfathered HHP small group block Humana had 121,277 member months in the experience period, which is a sufficient block to be fully credible based on Colorado's definition of credibility based on 2,000 life years.
<b>L. DATA REQUIREMENTS</b>	
	Complete tab "Data Requirements"
<b>M. SIDE-BY-SIDE COMPARISON</b>	
	Complete tab "Side by Side Comparison"
<b>N. BENEFITS RATIO PROJECTIONS</b>	
	Complete tab "Projected Benefits Ratio"
<b>O. OTHER FACTORS</b>	
Identify and provide support for other rating factors and definitions, including area factors, age factors, gender factors, etc.:	<p>Age Factors - The prescribed standardized factors as mandated by the federal government were used.</p> <p>Area Factors - The area factors utilize the eleven standardized geographic regions set forth by the state of Colorado. Humana assumed the distribution of business through geographical areas would remain the same as in the base experience period. A review of unit cost and provider practice patterns was completed with the variance of the regions being embedded with the area rating factors.</p> <p>Network Factors - The network factors reflect the estimated cost differences between differences in utilization management, reimbursement levels, and discounts between provider networks.</p>
Additional Information:	

<b>L DATA REQUIREMENTS</b>								
Colorado-only basis for at least 3 years. <b>Include</b> national, regional or other appropriate basis, if the Colorado data is not fully credible. The experience period must include consecutive data no older than 9 months prior to the proposed effective date.								
<b>COLORADO</b>								
Year*	Earned Premium	Incurred Claims	Total Estimated Incurred Claims	Total Estimated IBNR Claims	Loss Ratio	Average Covered Lives	Number of Claims	Colorado On Rate Level Premium
2010	\$ 10,628,488	\$ 8,213,619	\$ 8,213,619	\$ -	77%	2,617	568,011	\$ 12,181,261.85
2011	\$ 29,043,102	\$ 21,030,071	\$ 21,030,071	\$ -	72%	7,102	656,278	\$ 31,007,142.30
2012	\$ 43,017,352	\$ 33,344,074	\$ 32,943,944	\$ 400,129	78%	10,166	910,003	\$ 43,017,352.47
2013	\$ 4,141,489	\$ 2,573,205	\$ 2,362,202	\$ 211,003	62%	11,380	74,705	NA
*This column should be Calendar Year. If fractional year is used, identify period as MM/YYYY – MM/YYYY								
Above data is for:	N/A Existing Product Comparable Product <input checked="" type="checkbox"/> Other _____(please specify)							
<b>OTHER DATA</b>								
Year	Earned Premium	Incurred Claims	Total Estimated Incurred Claims	Total Estimated IBNR Claims	Average Covered Lives	Number of Claims		
2010								
2011								
2012								
2013								
Above data is for: <input type="checkbox"/>	N/A Existing Product Comparable Product National Other (please specify)							
Experience Period: (From _____ to _____)								
Additional Information:								

M. SIDE-BY-SIDE COMPARISON			
N/A			
If the proposed rating factor(s) are new, the memorandum must specifically so state, and provide detailed support for each of the factors.			
Description	Current Rate/ Rating Factor/ Rating Variable	Proposed Rate/ Rating Factor/Rating Variable	Percentage Increase/ Decrease
If the above table is not used, please identify the location of the Side-by-Side Comparison in the rate filing:		The side-by-side comparison has been attached as Exhibit I.	
Description and detailed support for new rating factor(s):			
Additional Information:			



N. PROJECTED EXPERIENCE FOR RATING PERIOD			
	Premiums	Incurred Claims	Benefits Ratio
Projected Experience Without Rate Change	\$ 64,843,075	\$ 52,708,471	81.3%
Projected Experience With Rate Change	\$ 64,257,142	\$ 51,695,405	80.5%
Additional Information	1-50 HHP and HIC have been combined for credibility		

			Medical		Pharmacy		Medical	Pharmacy	Total
Row #	Month	Members	Total Incurred Claims	Estimated IBNR Claims	Total Incurred Claims	Estimated IBNR Claims	12-Month pmpm Trend	12-Month pmpm Trend	12-Month pmpm Trend
1	Feb-09								
2	Mar-09								
3	Apr-09								
4	May-09								
5	Jun-09								
6	Jul-09								
7	Aug-09								
8	Sep-09								
9	Oct-09								
10	Nov-09								
11	Dec-09								
12	Jan-10	1,113	\$296,460	\$0	\$45,142	\$0			
13	Feb-10	959	\$127,784	\$0	\$37,273	\$0			
14	Mar-10	57	\$28,074	\$0	\$2,311	\$0			
15	Apr-10	755	\$120,611	\$0	\$15,561	\$0			
16	May-10	1,468	\$259,943	\$0	\$61,037	\$0			
17	Jun-10	2,348	\$581,303	\$0	\$92,987	\$0			
18	Jul-10	2,953	\$1,308,132	\$0	\$136,409	\$0			
19	Aug-10	3,588	\$954,563	\$0	\$161,059	\$0			
20	Sep-10	3,904	\$1,055,175	\$0	\$172,696	\$0			
21	Oct-10	4,191	\$1,044,489	\$0	\$194,594	\$0			
22	Nov-10	4,516	\$990,902	\$0	\$200,934	\$0			
23	Dec-10	5,171	\$1,427,796	\$0	\$253,607	\$0			
24	Jan-11	6,022	\$1,142,170	\$125	\$219,217	\$0	\$264.17	\$44.28	\$308.44
25	Feb-11	6,079	\$1,238,873	\$123	\$226,399	\$0	\$251.61	\$43.07	\$294.69
26	Mar-11	6,537	\$1,649,581	\$222	\$260,733	\$0	\$247.30	\$42.31	\$289.60
27	Apr-11	6,785	\$1,140,186	\$187	\$259,522	\$0	\$247.70	\$41.98	\$289.67
28	May-11	6,860	\$2,062,605	\$293	\$313,659	\$3	\$238.85	\$41.81	\$280.65
29	Jun-11	7,075	\$1,618,535	\$319	\$335,251	\$3	\$247.58	\$42.27	\$289.85
30	Jul-11	7,092	\$1,880,805	\$475	\$302,440	\$2	\$245.49	\$42.93	\$288.42
31	Aug-11	7,207	\$1,794,261	\$705	\$318,590	\$24	\$238.95	\$42.76	\$281.71
32	Sep-11	7,588	\$1,750,270	\$613	\$420,837	\$33	\$238.60	\$42.80	\$281.40
33	Oct-11	7,646	\$2,104,872	\$835	\$372,242	\$28	\$236.15	\$44.00	\$280.16
34	Nov-11	7,972	\$1,933,366	\$1,027	\$404,867	\$32	\$239.26	\$44.33	\$283.59
35	Dec-11	8,366	\$2,739,063	\$2,232	\$392,903	\$30	\$240.67	\$44.95	\$285.62
36	Jan-12	9,273	\$2,635,762	\$2,842	\$359,602	\$26	\$247.04	\$44.90	\$291.93
37	Feb-12	9,476	\$3,090,518	\$3,180	\$414,111	\$32	\$254.84	\$44.84	\$299.67
38	Mar-12	9,638	\$2,836,074	\$3,906	\$441,469	\$33	\$265.57	\$45.22	\$310.79
39	Apr-12	9,931	\$2,694,559	\$5,275	\$497,106	\$39	\$269.39	\$45.65	\$315.04
40	May-12	10,079	\$2,730,940	\$7,999	\$480,690	\$37	\$276.60	\$46.61	\$323.20
41	Jun-12	10,079	\$2,325,733	\$17,010	\$455,761	\$34	\$274.40	\$46.77	\$321.18
42	Jul-12	10,086	\$2,242,479	\$14,719	\$444,647	\$38	\$273.28	\$46.58	\$319.86
43	Aug-12	10,286	\$2,525,395	\$14,953	\$482,812	\$44	\$269.03	\$46.61	\$315.64
44	Sep-12	10,587	\$2,616,130	\$18,172	\$467,060	\$89	\$268.15	\$46.79	\$314.94
45	Oct-12	10,807	\$3,182,704	\$31,146	\$549,469	\$154	\$268.69	\$45.96	\$314.66
46	Nov-12	10,845	\$3,365,507	\$64,216	\$527,443	\$333	\$270.65	\$46.24	\$316.89
47	Dec-12	10,910	\$3,033,869	\$72,079	\$574,481	\$478	\$276.13	\$46.15	\$322.29
48	Jan-13	11,385	\$2,600,714	\$106,651	\$443,122	\$498	\$272.79	\$46.68	\$319.47

			Medical		Pharmacy		One Year Trends		
Start Month	End Month	Members Months	Total Incurred Claims	Estimated IBNR Claims	Total Incurred Claims	Estimated IBNR Claims	Medical Trend	Pharmacy Trend	Total Trend
Feb-09	Jan-10	2,072	424,244	0	82,415	0			
Feb-10	Jan-11	41,052	10,152,030	248	1,736,811	0			
Feb-11	Jan-12	91,877	24,399,822	12,929	4,154,754	212			
Feb-12	Jan-13	114,633	30,154,106	356,126	5,364,061	1,777			

			Medical	Pharmacy	Medical	Pharmacy	Total
			Normalized	Normalized	12-Month	12-Month	12-Month
Row #	Month	Members	Incurred Claims	Incurred Claims	pmpm Trend	pmpm Trend	pmpm Trend
1	Feb-09						
2	Mar-09						
3	Apr-09						
4	May-09				1.025		
5	Jun-09						
6	Jul-09						
7	Aug-09						
8	Sep-09						
9	Oct-09						
10	Nov-09	Data Available Quarterly PMPM					
11	Dec-09						
12	Jan-10	1,113	\$253	\$51			
13	Feb-10	959	\$253	\$51			
14	Mar-10	57	\$253	\$51			
15	Apr-10	755	\$269	\$53			
16	May-10	1,468	\$269	\$53			
17	Jun-10	2,348	\$269	\$53			
18	Jul-10	2,953	\$297	\$55			
19	Aug-10	3,588	\$297	\$55			
20	Sep-10	3,904	\$297	\$55			
21	Oct-10	4,191	\$316	\$61			
22	Nov-10	4,516	\$316	\$61			
23	Dec-10	5,171	\$316	\$61			
24	Jan-11	6,022	\$281	\$58	\$ 298	\$ 57	\$ 356
25	Feb-11	6,079	\$281	\$58	\$ 297	\$ 58	\$ 354
26	Mar-11	6,537	\$281	\$58	\$ 296	\$ 58	\$ 353
27	Apr-11	6,785	\$286	\$61	\$ 294	\$ 58	\$ 351
28	May-11	6,860	\$286	\$61	\$ 293	\$ 58	\$ 351
29	Jun-11	7,075	\$286	\$61	\$ 293	\$ 59	\$ 351
30	Jul-11	7,092	\$318	\$64	\$ 293	\$ 59	\$ 352
31	Aug-11	7,207	\$318	\$64	\$ 295	\$ 60	\$ 355
32	Sep-11	7,588	\$318	\$64	\$ 297	\$ 60	\$ 358
33	Oct-11	7,646	\$312	\$64	\$ 300	\$ 61	\$ 361
34	Nov-11	7,972	\$310	\$66	\$ 300	\$ 61	\$ 361
35	Dec-11	8,366	\$310	\$66	\$ 300	\$ 62	\$ 362
36	Jan-12	9,273	\$352	\$62	\$ 300	\$ 62	\$ 362
37	Feb-12	9,476	\$352	\$62	\$ 307	\$ 62	\$ 369
38	Mar-12	9,638	\$352	\$62	\$ 313	\$ 63	\$ 376
39	Apr-12	9,931	\$306	\$63	\$ 319	\$ 63	\$ 382
40	May-12	10,079	\$306	\$63	\$ 320	\$ 63	\$ 383
41	Jun-12	10,079	\$306	\$63	\$ 321	\$ 63	\$ 384
42	Jul-12	10,086	\$297	\$61	\$ 322	\$ 63	\$ 386
43	Aug-12	10,286	\$297	\$61	\$ 320	\$ 63	\$ 383
44	Sep-12	10,587	\$297	\$61	\$ 318	\$ 63	\$ 381
45	Oct-12	10,807	\$326	\$66	\$ 316	\$ 63	\$ 379
46	Nov-12	10,845	\$326	\$66	\$ 317	\$ 63	\$ 380
47	Dec-12	10,910	\$326	\$66	\$ 318	\$ 63	\$ 382
48	Jan-13	11,385	\$366	\$63	\$ 320	\$ 63	\$ 383

One Year Trends							
Start Month	End Month	Members Months	Medical Total Incurred Claims	Pharmacy Total Incurred Claims	Medical Trend	Pharmacy Trend	Total Trend
Feb-09	Jan-10	1,113	253	51			
Feb-10	Jan-11	35,932	3,433	668			
Feb-11	Jan-12	88,480	3,657	747			
Feb-12	Jan-13	124,109	3,857	759			

### Projected Index Rate

The initial 2014 index rate is calculated as the projected allowed claims PMPM amount of \$396.92, with a Non-EHB adjustment of -.079%. For 01/14, the index rate is \$383.40. This is the allowed claims PMPM of \$396.61 with trend of 7% backed out to January so the 2014 midpoint PMPM (07/2014 index rate) is equal to the allowed claims PMPM. Quarterly trend of 1.7% is applied on a quarterly basis thereafter for the rest of the projection period. The allowed claims PMPM is a one-time starting point for index rates going forward.

Medical Index Rates	Rx Index Rates	Total Index Rates	Trend 7% (Quarterly)	Final Total Index Rates
327.75	55.65	383.40	383.42	383.42
327.75	55.65	383.40		383.42
327.75	55.65	383.40	-1.07^(1/4)	383.42
333.34	56.60	389.94	389.95	389.95
333.34	56.60	389.94		389.95
333.34	56.60	389.94	-1.07^(1/4)	389.95
339.04	57.57	396.61	396.61	396.61
339.04	57.57	396.61	+1.07^(1/4)	396.61
339.04	57.57	396.61		396.61
344.81	58.55	403.36	403.37	403.37
344.81	58.55	403.36		403.37
344.81	58.55	403.36		403.37

**Medical Index Rates for CO Small Group Business**

<u>Date</u>	<u>Current Index Rate</u>	<u>Proposed Rate</u>	<u>% Change From Current</u>	<u>% Monthly Change</u>
01/01/2014	NA	325.83	NA	NA
02/01/2014	NA	325.83	NA	0.0%
03/01/2014	NA	325.83	NA	0.0%
04/01/2014	NA	331.39	NA	1.7%
05/01/2014	NA	331.39	NA	0.0%
06/01/2014	NA	331.39	NA	0.0%
07/01/2014	NA	337.05	NA	1.7%
08/01/2014	NA	337.05	NA	0.0%
09/01/2014	NA	337.05	NA	0.0%
10/01/2014	NA	342.80	NA	1.7%
11/01/2014	NA	342.80	NA	0.0%
12/01/2014	NA	342.80	NA	0.0%

**Rx Index Rates for CO Small Group Business**

<u>Date</u>	<u>Current Index Rate</u>	<u>Proposed Rate</u>	<u>% Change From Current</u>	<u>% Monthly Change</u>
01/01/2014	NA	55.33	NA	NA
02/01/2014	NA	55.33	NA	0.0%
03/01/2014	NA	55.33	NA	0.0%
04/01/2014	NA	56.28	NA	1.7%
05/01/2014	NA	56.28	NA	0.0%
06/01/2014	NA	56.28	NA	0.0%
07/01/2014	NA	57.23	NA	1.7%
08/01/2014	NA	57.23	NA	0.0%
09/01/2014	NA	57.23	NA	0.0%
10/01/2014	NA	58.21	NA	1.7%
11/01/2014	NA	58.21	NA	0.0%
12/01/2014	NA	58.21	NA	0.0%

**Medical Plan Benefit Factors**

Product Type	Coins	PCP Copay	Par Ded	Par OOP	Current Factor	Revised Factor	% Change
Trad Copay PPO	100/70	25	500	4000	NA	0.8103	NA
Trad Copay PPO	100/70	25	1000	4000	NA	0.7473	NA
Trad Copay PPO	100/70	30	1500	6350	NA	0.6700	NA
Trad Copay PPO	100/70	30	2000	6350	NA	0.6306	NA
Trad Copay PPO	100/70	35	2000	5000	NA	0.6401	NA
Trad Copay PPO	90/60	30	1500	6350	NA	0.6145	NA
Trad Copay PPO	90/60	30	2000	6350	NA	0.5899	NA
Trad Copay PPO	80/50	25	500	4000	NA	0.6386	NA
Trad Copay PPO	80/50	25	1000	4000	NA	0.5938	NA
Trad Copay PPO	80/50	40	1500	5000	NA	0.5326	NA
Trad Copay PPO	80/50	30	2000	6350	NA	0.4969	NA
Trad Copay PPO	80/50	30	2000	6350	NA	0.4969	NA
Trad Copay PPO	80/50	45	2000	5000	NA	0.5065	NA
Trad Copay PPO	70/50	20	1000	4000	NA	0.5633	NA
Trad Copay PPO	70/50	35	2000	6350	NA	0.4715	NA
Trad Copay PPO	70/50	40	2000	6350	NA	0.4650	NA
Trad Copay PPO	60/50	30	2000	6350	NA	0.4483	NA
Trad Copay PPO	60/50	35	2000	6350	NA	0.4455	NA
Trad Copay PPO	60/50	40	2000	6350	NA	0.4402	NA
Trad Copay PPO	50/50	25	2000	6350	NA	0.4059	NA
Trad Copay PPO	50/50	30	2000	6350	NA	0.3925	NA
Trad Copay PPO	50/50	35	2000	6350	NA	0.3995	NA
Trad Copay PPO	50/50	40	2000	6350	NA	0.3938	NA
EHDHP PPO	100/70	0	2000	2000	NA	0.8766	NA
EHDHP PPO	90/60	0	5000	6350	NA	0.5714	NA
EHDHP PPO	80/50	0	2000	6350	NA	0.6548	NA
EHDHP PPO	80/50	0	4000	6350	NA	0.5232	NA
EHDHP PPO	80/50	0	5000	6350	NA	0.4870	NA
EHDHP PPO	70/50	0	1500	6350	NA	0.6335	NA
EHDHP PPO	70/50	0	3500	6350	NA	0.5175	NA
HDHP PPO	100/70	0	1750	1750	NA	0.8937	NA
HDHP PPO	100/70	0	5500	5000	NA	0.5615	NA
HDHP PPO	80/50	0	1500	6350	NA	0.6888	NA

HDHP PPO	80/50	0	4000	6350	NA	0.5081	NA
Simplicity PPO	100/70	30	0	6350	NA	0.6533	NA
Simplicity PPO	100/70	45	0	6350	NA	0.4725	NA
Simplicity PPO	100/70	50	0	6350	NA	0.3975	NA
Coins PPO	80/50	0	2000	5000	NA	0.5046	NA
Coins PPO	70/50	0	1500	5000	NA	0.5001	NA
Coins PPO	70/50	0	5000	6350	NA	0.3634	NA
Indemnity	80/50	0	2000	5000	NA	0.8413	NA

#### **Rx Plan Benefit Factors**

Description	Current Factor	Revised Factor	% Change
Rx4 10/35/55/25% Simplicity	NA	0.8530	NA
Rx4 10/45/90/25% Simplicity	NA	0.7256	NA
Rx4 10/40/70/25% Simplicity	NA	0.7908	NA
Rx4 10/30/50/25%	NA	0.8906	NA
Rx4 10/30/50/25% 100 ded	NA	0.8032	NA
Rx4 10/35/50/25% 100 ded	NA	0.7805	NA
Rx4 10/35/55/25%	NA	0.8507	NA
Rx4 10/35/55/25% 250 ded	NA	0.6783	NA
Rx4 10/35/70/25% 250 ded	NA	0.6458	NA
Rx4 10/35/75/25%	NA	0.8029	NA
Rx4 10/40/70/25%	NA	0.8136	NA
Rx4 10/40/70/25% 250 ded	NA	0.6270	NA
Rx4 10/45/70/25%	NA	0.7713	NA
Rx4 10/45/75/25%	NA	0.7571	NA
Rx4 10/45/75/25% 100 ded	NA	0.6805	NA
Rx4 10/45/90/25%	NA	0.7236	NA
Rx4 10/45/90/25% 100 ded	NA	0.6498	NA
Rx4 10/45/90/25%	NA	0.7236	NA
Rx4 10/45/90/25% 100 ded	NA	0.6498	NA

#### **Medical Area Factors**

	Current	Proposed	% Change from Current
Rating Region 1 - Boulder	NA	1.5373	NA
Rating Region 2 - Colorado Springs	NA	1.3845	NA
Rating Region 3 - Denver	NA	1.3670	NA
Rating Region 4 - Fort Collins	NA	2.5298	NA
Rating Region 5 - Grand Junction	NA	2.5298	NA
Rating Region 6 - Greeley	NA	2.5298	NA
Rating Region 7 - Northeast Non-MSA	NA	2.5298	NA
Rating Region 8 - Pueblo	NA	2.5298	NA
Rating Region 9 - Resort	NA	2.5298	NA
Rating Region 10 - Southeast Non-MSA	NA	2.5298	NA
Rating Region 11 - West Non-MSA	NA	2.5298	NA

#### **Rx Region Factors**

	Current	Proposed	% Change from Current
Rating Region 1 - Boulder	NA	1.4460	NA
Rating Region 2 - Colorado Springs	NA	1.4613	NA
Rating Region 3 - Denver	NA	1.6447	NA
Rating Region 4 - Fort Collins	NA	2.2952	NA
Rating Region 5 - Grand Junction	NA	2.2952	NA
Rating Region 6 - Greeley	NA	2.2952	NA
Rating Region 7 - Northeast Non-MSA	NA	2.2952	NA
Rating Region 8 - Pueblo	NA	2.2952	NA
Rating Region 9 - Resort	NA	2.2952	NA
Rating Region 10 - Southeast Non-MSA	NA	2.2952	NA
Rating Region 11 - West Non-MSA	NA	2.2952	NA

### HIC Rating Sample

Standard Component ID	Plan Name	Metal Tier	Rating Area	Network	Premium
79509CO0500001	Trad Copay 100/70 \$25 Copay, \$500 Ded, \$4000 OOP	Gold	Boulder	PPO	\$ 609.78
79509CO0500014	Trad Copay 70/50 \$20 Copay, \$1000 Ded, \$4000 OOP	Gold	Boulder	PPO	\$ 451.66
79509CO0500003	Trad Copay 100/70 \$30 Copay, \$1500 Ded, \$6350 OOP	Silver	Boulder	PPO	\$ 507.76
79509CO0500021	Trad Copay 50/50 \$30 Copay, \$2000 Ded, \$6350 OOP	Silver	Boulder	PPO	\$ 333.38
79509CO0500025	EHDHP 90/60 \$5000 Ded, \$6350 OOP	Bronze	Boulder	PPO	\$ 365.78
79509CO0500051	COINS PPO 90/60 \$5000 Ded, \$6350 OOP	Bronze	Boulder	PPO	\$ 299.07
79509CO0500001	Trad Copay 100/70 \$25 Copay, \$500 Ded, \$4000 OOP	Gold	Colorado Springs	PPO	\$ 559.18
79509CO0500014	Trad Copay 70/50 \$20 Copay, \$1000 Ded, \$4000 OOP	Gold	Colorado Springs	PPO	\$ 416.78
79509CO0500003	Trad Copay 100/70 \$30 Copay, \$1500 Ded, \$6350 OOP	Silver	Colorado Springs	PPO	\$ 465.97
79509CO0500021	Trad Copay 50/50 \$30 Copay, \$2000 Ded, \$6350 OOP	Silver	Colorado Springs	PPO	\$ 309.28
79509CO0500025	EHDHP 90/60 \$5000 Ded, \$6350 OOP	Bronze	Colorado Springs	PPO	\$ 329.42
79509CO0500051	COINS PPO 90/60 \$5000 Ded, \$6350 OOP	Bronze	Colorado Springs	PPO	\$ 276.65
79509CO0500001	Trad Copay 100/70 \$25 Copay, \$500 Ded, \$4000 OOP	Gold	Denver	PPO	\$ 564.83
79509CO0500014	Trad Copay 70/50 \$20 Copay, \$1000 Ded, \$4000 OOP	Gold	Denver	PPO	\$ 424.23
79509CO0500003	Trad Copay 100/70 \$30 Copay, \$1500 Ded, \$6350 OOP	Silver	Denver	PPO	\$ 471.09
79509CO0500021	Trad Copay 50/50 \$30 Copay, \$2000 Ded, \$6350 OOP	Silver	Denver	PPO	\$ 316.84
79509CO0500025	EHDHP 90/60 \$5000 Ded, \$6350 OOP	Bronze	Denver	PPO	\$ 325.26
79509CO0500051	COINS PPO 90/60 \$5000 Ded, \$6350 OOP	Bronze	Denver	PPO	\$ 282.43
79509CO0500001	Trad Copay 100/70 \$25 Copay, \$500 Ded, \$4000 OOP	Gold	Rest	PPO	\$ 998.14
79509CO0500014	Trad Copay 70/50 \$20 Copay, \$1000 Ded, \$4000 OOP	Gold	Rest	PPO	\$ 737.94
79509CO0500003	Trad Copay 100/70 \$30 Copay, \$1500 Ded, \$6350 OOP	Silver	Rest	PPO	\$ 830.98
79509CO0500021	Trad Copay 50/50 \$30 Copay, \$2000 Ded, \$6350 OOP	Silver	Rest	PPO	\$ 543.83
79509CO0500025	EHDHP 90/60 \$5000 Ded, \$6350 OOP	Bronze	Rest	PPO	\$ 601.93
79509CO0500051	COINS PPO 90/60 \$5000 Ded, \$6350 OOP	Bronze	Rest	PPO	\$ 488.28

## **CARRIER ATTESTATION FORM**

**Instructions:**

Review each of the attestation and sign at the end of the document. **The Data Submitter must sign this attestation document.**

<b>ATTESTATION</b>	<b>YES</b>
<b>1.) <u>Benefit Design Attestations</u></b>	<input checked="" type="checkbox"/>
<ol style="list-style-type: none"> <li>1. Carrier attests that it will comply with all benefit design standards, federal regulations and laws, and state mandated benefits for all services including: preventive services, emergency services, and formulary drug list.</li> <li>2. Carrier attests that its health benefit plans provide coverage for each of the 10 statutory categories of essential health benefits (EHBs) in accordance with the applicable EHB benchmark plan and federal law:               <ol style="list-style-type: none"> <li>a. Provide benefits and limitations on coverage that are substantially equal to those covered by the EHB-benchmark plan;</li> <li>b. Complies with the requirements of 45 CFR 146.136 with regard to mental health and substance use disorder services, including behavioral health;</li> <li>c. Provides coverage for preventive services described in 45 CFR 147/130;</li> <li>d. Complies with EHB requirements with respect to prescription drug coverage;</li> <li>e. Any benefits substituted are actuarially equivalent to those offered by the EHB benchmark plan;</li> <li>f. Complies with the prohibition on discrimination with regard to EHB;</li> <li>g. Benefits reflect an appropriate balance among the EHB categories, so that benefits are not unduly weighted toward any category;</li> <li>h. Include all applicable state required benefits.</li> </ol> </li> </ol>	
<b>2.) <u>Stand-Alone Dental Attestations</u></b>	<input checked="" type="checkbox"/>
<ol style="list-style-type: none"> <li>1. Carrier attests that all stand-alone dental plans that it offers will comply with all benefit design standards and federal regulations and laws for stand-alone dental plans, as applicable, including that:               <ol style="list-style-type: none"> <li>a. the out-of-pocket maximum for its stand-alone dental plan is reasonable for the coverage of the pediatric dental EHB;</li> <li>b. it offers the pediatric dental EHB;</li> <li>c. it does not include annual and lifetime dollar limits on pediatric dental EHB.</li> </ol> </li> </ol> <p><u><b>Selecting “Yes” indicates either:</b></u></p> <ol style="list-style-type: none"> <li>1) You are attesting to all statements in this section; – OR –</li> <li>2) You do not offer Stand-Alone Dental Plans.</li> </ol>	
<b>3.) <u>Marketing</u></b>	<input checked="" type="checkbox"/>
<ol style="list-style-type: none"> <li>1. Carrier attests that it will comply with any applicable state laws and regulations regarding health insurance marketing practices and advertising materials.</li> <li>2. Carrier attests that it will not employ marketing practices or benefit designs that will have the effect of discouraging the enrollment of individuals with significant health needs.</li> </ol>	



<b>4.) <u>Network Adequacy</u></b>	<input checked="" type="checkbox"/>
<ol style="list-style-type: none"> <li>Carrier attests that each of its managed care health benefit plans will maintain a provider network(s) that is sufficient in number and types of providers, including providers that specialize in mental health and substance abuse services, to assure that the services will be accessible without unreasonable delay.</li> <li>Carrier attests that each of its managed care health benefit plans will including in in its provider network(s) a sufficient number and geographic distribution of essential community providers (ECPs), where available, to ensure reasonable and timely access to a broad rand of such providers for low-income, medically underserved individuals in their service areas.</li> </ol>	
<b>5.) <u>Meaningful Difference</u></b>	<input checked="" type="checkbox"/>
<ol style="list-style-type: none"> <li>Carrier attests that it will ensure the health benefit plans it offers are meaningfully different from one another.</li> </ol> <p><b><u>Selecting "Yes" indicates either:</u></b></p> <ol style="list-style-type: none"> <li>You are attesting to all statements in this section; – OR –</li> <li>You are offering a Stand-Alone Dental Plan, which is not subject to review for meaningful difference.</li> </ol>	
<b>6.) <u>Non-Discrimination</u></b>	<input checked="" type="checkbox"/>
<ol style="list-style-type: none"> <li>Carrier will not employ benefit designs that have the effect of discouraging the enrollment of individuals with significant health needs or pre-existing conditions.</li> <li>Carrier will not discriminate against individuals on the basis of health status, race, color, national origin, disability, age, sex, gender identity or sexual orientation, consistent with 45 CFR 156.200(e).</li> </ol>	

**Jason Hill**

Digitally signed by Jason Hill  
DN: dc=com, dc=humad, ou=GRB, ou=Users,  
cn=Jason Hill  
Date: 2013.05.15 12:06:50 -05'00'

**05/15/2013**

Signature

Date

Jason Hill

Actuarial Analyst

Printed Name

Title/Position

State: Colorado

Filing Company:

Humana Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name: HIC Small Group Medical Rate Filing\_2014.01

Project Name/Number: HIC Small Group Medical Rate Filing\_2014.01/

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
07/31/2013		Supporting Document	Actuarial Memorandum and Certifications	08/06/2013	PartIIIActMemoHICv4.pdf (Superceded)
07/31/2013		Supporting Document	Unified Rate Review Template	08/06/2013	plan_management_data_templates_unifiedHICv3.xlsm (Superceded)
07/31/2013		Rate	HIC SB Rating Manual 2014.01	08/06/2013	HIC SB Rating Manual 2014.01v8.pdf (Superceded)
07/31/2013		Supporting Document	Actuarial Memorandum and Certifications	07/31/2013	PartIIIActMemoHICv3.pdf (Superceded)
07/30/2013		Rate	HIC SB Rating Manual 2014.01	07/31/2013	HIC SB Rating Manual 2014.01v7.pdf (Superceded)
07/30/2013		Supporting Document	Actuarial Memorandum	08/06/2013	COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf Exhibitlv5.pdf (Superceded)
07/22/2013		Supporting Document	Rating Sample	08/06/2013	RateSampleHICv2.pdf (Superceded)
07/22/2013		Supporting Document	Actuarial Memorandum	07/30/2013	COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf Exhibitlv5.pdf
07/22/2013		Rate	HIC SB Rating Manual 2014.01	07/30/2013	HIC SB Rating Manual 2014.01v6F.pdf (Superceded)
07/10/2013		Rate	HIC SB Rating Manual 2014.01	07/22/2013	HIC SB Rating Manual 2014.01v6.pdf (Superceded)

SERFF Tracking #:

HUMA-129002825

State Tracking #:

278121

Company Tracking #:

State:

Colorado

Filing Company:

Humana Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HIC Small Group Medical Rate Filing\_2014.01

Project Name/Number:

HIC Small Group Medical Rate Filing\_2014.01/

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
07/10/2013		Supporting Document	Actuarial Memorandum and Certifications	07/31/2013	PartIIActMemoHICv2.pdf (Superceded)
07/10/2013		Supporting Document	Unified Rate Review Template	07/31/2013	plan_management_data_templates_unifiedHICv2888.xlsm (Superceded)
07/10/2013		Supporting Document	Actuarial Memorandum	07/22/2013	COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf Exhibitlv4.pdf (Superceded)
07/10/2013		Supporting Document	Rating Sample	07/22/2013	RatingSamplev2.pdf (Superceded)
07/10/2013		Supporting Document	HR-1 Form (H)	07/22/2013	HR-1 Form 2014_01 PPO.pdf (Superceded)
06/28/2013		Rate	HIC SB Rating Manual 2014.01	07/10/2013	HIC SB Rating Manual 2014.01v4.pdf (Superceded)
06/19/2013		Rate	HIC SB Rating Manual 2014.01	06/28/2013	HIC SB Rating Manual 2014.01v3.pdf (Superceded)
06/19/2013		Supporting Document	Actuarial Memorandum	07/10/2013	Exhibitlv3.pdf (Superceded) COActuarialMemorandumHICv2.pdf ObjectionIndexRate.pdf
06/13/2013		Supporting Document	Actuarial Memorandum	06/19/2013	Exhibitlv3.pdf COActuarialMemorandumHICv2.pdf
06/03/2013		Supporting Document	Unified Rate Review Template	07/10/2013	plan_management_data_templates_unifiedHIC.xlsm (Superceded)
05/30/2013		Supporting Document	Rating Sample	07/10/2013	Rate SampleHIC.pdf (Superceded)
05/17/2013		Rate	HIC SB Rating Manual 2014.01	06/19/2013	HIC SB Rating Manual 2014.01v2.pdf (Superceded)

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Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
05/17/2013		Supporting Document	Actuarial Memorandum	06/13/2013	COActuarialMemorandumHIC.pdf (Superceded) Exhibitlv3.pdf
05/15/2013		Supporting Document	Rating Sample	05/30/2013	RatingSample.pdf (Superceded)
04/26/2013		Supporting Document	HR-1 Form (H)	07/10/2013	HR-1 Form 2014_01 PPO.pdf (Superceded)
04/26/2013		Supporting Document	Actuarial Memorandum and Certifications	07/10/2013	ActMemoIII.pdf (Superceded)
04/26/2013		Supporting Document	Unified Rate Review Template	06/03/2013	UnifiedRateReviewSubmission_2013051595646.xml (Superceded)
04/26/2013		Supporting Document	Cover Letter	08/06/2013	CoverFinal.pdf (Superceded)
04/26/2013		Supporting Document	Actuarial Memorandum	05/17/2013	COActuarialMemorandumHIC.pdf ExhibitI.pdf (Superceded)
04/26/2013		Form	CC2003-P	05/29/2013	
04/26/2013		Form	CC2003-C	05/29/2013	
04/26/2013		Form	CO CC2003M-P	05/29/2013	
04/26/2013		Form	CO CC2003M-C	05/29/2013	
04/26/2013		Form	CO CONV INDV	05/29/2013	
04/26/2013		Form	SAR	05/29/2013	
04/26/2013		Form	VIS	05/29/2013	
04/26/2013		Form	RX	05/29/2013	
04/26/2013		Form	24HR	05/29/2013	

<b>State:</b>	Colorado	<b>Filing Company:</b>	Humana Insurance Company
<b>TOI/Sub-TOI:</b>	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
<b>Product Name:</b>	HIC Small Group Medical Rate Filing_2014.01		
<b>Project Name/Number:</b>	HIC Small Group Medical Rate Filing_2014.01/		

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
04/26/2013		Rate	HIC SB Rating Manual 2014.01	05/17/2013	HIC SB Rating Manual 2014.01.pdf (Superceded)

SERFF Tracking #:

HUMA-129002825

State Tracking #:

278121

Company Tracking #:

State:

Colorado

Filing Company:

Humana Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HIC Small Group Medical Rate Filing\_2014.01

Project Name/Number:

HIC Small Group Medical Rate Filing\_2014.01/

***Attachment plan\_management\_data\_templates\_unifiedHICv3.xlsm is not a PDF document and cannot be reproduced here.***

***Attachment plan\_management\_data\_templates\_unifiedHICv2888.xlsm is not a PDF document and cannot be reproduced here.***

***Attachment plan\_management\_data\_templates\_unifiedHIC.xlsm is not a PDF document and cannot be reproduced here.***

***Attachment UnifiedRateReviewSubmission\_2013051595646.xml is not a PDF document and cannot be reproduced here.***

**General Information**

This filing is for the 1-50 small group market, with an effective date of 01/01/2014.

Company Identifying Information:

Company Legal Name: **Humana Insurance Company**  
 State: **CO**  
 HIOS Issuer ID: **79509**  
 Market: **Small Group**  
 Effective Date: **01/01/2014**

Company Contact Information:

Primary Contact Name: **Jason Hill**  
 Primary Contact Telephone Number: **920-337-5488**  
 Primary Contact Email Address: **jhill11@humana.com**

**Purpose:**

The purpose of this actuarial memorandum is to provide supporting justification to the Unified Rate Review template with the goal of demonstrating compliance with the market rating rules, as well as reasonableness of any proposed rates.

In addition, this actuarial memorandum provides required actuarial certifications related to:

- the methodology used to calculate the AV Metal Value for each plan
- the appropriateness of the essential health benefit portion of premium upon which advanced payment of premium tax credits (APTCs) are based
- the index rate is developed in accordance with federal regulations and the index rate along with allowable modifiers are used in the development of plan specific premium rates

This filing should be used for no other purposes.

This memorandum was prepared by a qualified actuary, and is intended to be reviewed by a qualified actuary

**Proposed Rate Increase(s)**Reason for Rate Increase(s):

For 1/1/2014, the company is issuing all new products that comply with the requirements of the Affordable Care Act and is terminating all non-grandfathered products issued before 1/1/2014. In accordance with HHS regulations, the proposed rate increase for all new plans is zero percent.

**Experienced Period Premium and Claims**

Paid Through Date: The date through which payments have been made on Claims incurred during the experience period is

**03/31/2013**

Premiums (net of MLR Rebate) in Experience Period:

Premiums net of MLR rebate:	\$	<b>1,979,801</b>
MLR Rebates:	\$	-
Estimated Rebates to be included:	\$	-

The basis for the Humana Small Business rebate forecast is forecasted membership, premium, claims, and expenses at the state and legal entity level. These forecasted metrics are run through a simulated rebate model, where the various components of rebate legislation are applied. The most impactful adjustments include the credibility adjustment (based on forecasted member months) and the adjustment to remove taxes and licensing fees from premium. These items are combined to estimate the Rebate Calculation Ratio (RCR), which is then compared against the 80% threshold for the Small Business segment to calculate final expected rebates.

Allowed and Incurred Claims Incurred During the Experience Period

	Allowed Claims	Incurred Claims
Claims that were processed through the issuer's claim system	\$ <b>2,018,483</b>	\$ <b>1,591,113</b>
Claims that were processed outside the issuer's claim system	\$ -	\$ -
Claims incurred but not paid as of paid through date	\$ <b>65,428</b>	\$ <b>51,575</b>

Allowed claims come directly from the an issuer's claims system after eligibility and network discounts are applied, allowed medical claims, allowed Rx claims, and member capitation payments are combined to populate the experience period data above. Member cost sharing is removed from the allowed claims to report the incurred claims entered above.

To estimate incurred claims, all commercial claims experience is segregated by legal entity, processing platform, product, geography and claim category so that appropriate balance of homogeneity and credible size is maintained. The segmentation logic is reviewed at least annually or when significant changes in the block occur (e.g. acquisitions). The paid-to-incurred claim triangles for each block are used to develop completion factors that are applied to each incurred month to estimate ultimate incurred amounts. Estimated ultimate incurred claims for the most recent twelve months are then adjusted for pending claims if there is a material variance from historical levels. Finally, the completion factors and estimated ultimate incurred claims are reviewed and may be changed to account for known anomalies in the data that may have distorted the calculation. The difference between the estimated ultimate incurred claims and the current paid-to-date amounts is the estimate of the incurred but not paid claims for each incurred month. In the calculation process, completion factors, per typical actuarial practice, are not permitted to be greater than 1.00. That is, no coverage month is permitted to have an incurred claim estimate less than the amount of claims paid to date even though historical experience may indicate that this is likely due to future claim recoveries.

For each month of incurred, the incurred but not reported amount equals the incurred claims estimate minus claims paid to date. Follow-up studies, including monthly historical reserve restatement analyses, are regularly performed to test the accuracy of the reserving methodology and suggest possible improvements.

Allowed but not reported estimates are developed utilizing the combination of the incurred but not reported estimate and the incurred to allowed ratio of historical claims.

**Benefit Categories**

The Benefit Categories are defined as follows:

**Inpatient Hospital:** Includes non-capitated services for medical, surgical, maternity, mental health and substance abuse, skilled nursing, and other services provided in an inpatient facility setting and billed by the facility.

**Outpatient Hospital:** Includes non-capitated services for surgery, emergency room, lab, radiology, therapy, observation and other services provided in an outpatient facility setting and billed by the facility. The Outpatient Hospital benefit category uses a combination of both visits and services to determine the utilization per 1,000. For items such as Outpatient Surgery and Emergency Room, where multiple services are rendered and can be billed together, visits are used for the measurement units. For single items that can be billed separately, such as Outpatient Therapy or MRI, services are used for the measurement units.

Professional: Includes non-capitated primary care, specialist, therapy, laboratory, radiology, and other professional services not billed by the facility. The Professional benefit category uses a combination of both visits and services to determine the utilization per 1,000. For items such as Primary Care or Specialist Office visits, where multiple services are rendered and can be billed together, visits are used for the measurement units. For single items that can be billed separately, such as Therapy or MRI, services are used for the measurement units.

Other Medical: Includes non-capitated ambulance, home health care, DME, prosthetics, supplies, vision exams, dental services and other services. The Other Medical benefit category uses a combination of both visits and services to determine the utilization per 1,000. For items such as Home Health visits, where multiple services are rendered and can be billed together, visits are used for the measurement units. For single items that can be billed separately, such as DME, services are used for the measurement units.

Capitation: Includes all services provided under one or more capitated arrangements.

Prescription Drug: Includes drugs dispensed by a pharmacy. This amount should be net of rebates received from drug manufacturers.

#### Projection Factors

0.0%	<p><u>Changes in the Morbidity of the Population Insured:</u></p> <p>This adjustment is intended to capture the change in underlying morbidity for the risk pool in 2014 compared to the current risk pool. In the small group market, the company is projecting little to no impact due to this projected factor in 2014. This industry morbidity assumption is based on a number of third-party industry wide studies and a nationwide internal analysis.</p>
1.8%	<p><u>Changes in Benefits:</u></p> <p>All new plans must cover the essential health benefits package in 2014. The specifics of the essential health benefits are contained within the benchmark plan selected in each state. There are number benefits that are considered to require rate increases in the small group market: women's preventive health, behavioral services and other state-specific services outlined in the benchmark plan and currently not reflected in the experience period data. Seven months of the experience period does not include the expected cost from the Women's Preventive Legislation and has been allocated as a percent of premium. The rate increase associated with this benefit change is .7%.</p> <p>Federal Mental Health Parity requirements is currently not in the experience period, the rate increase associated with this benefit change is .3%.</p> <p>For this state and legal entity, this list of other state specific services outlined in the benchmark plan include: Pediatric Dental and Vision, Cochlear implants, Prosthetics, and Tobacco Cessation. The rate increase associated with these benefits changes is .7712%.</p>
0.0%	<p><u>Changes in Demographics:</u></p> <p>The company is assuming the same average mix of population by age, gender, and region in the projected period as in the underlying base period experience.</p>
-3.0%	<p><u>Other adjustments:</u></p> <p>This adjustment is intended to capture the change in the company's existing risk as it converges to the market average risk due to lack of underwriting. This percentage was estimated based on a study performed by Wakely Consulting which developed the risk of each carrier's book of business relative to the small group market in the state.</p>
13.8%	<p><u>Trend Factors (cost/utilization):</u></p> <p>The cost trend captures pure unit cost changes from midpoint 2012 to midpoint 2014, calculated using the same basket of services each period, due to price/contract negotiations and provider distribution changes.</p> <p>Inpatient Hospital, Outpatient Hospital, Professional, Capitation and Other Medical cost trends are developed based on historical area specific cost trends from Humana's Small Commercial block of business data. Future cost trends are developed based on expected changes in Humana's Commercial contracts. Pharmacy cost trends are developed based on historical brand, generic, and specialty drug trends from Humana's Commercial data. Future cost trends are developed based on expected changes in these pharmacy contracts. These contractual impacts will be applicable to all members regardless of risk class.</p> <p>Utilization trend: Using Humana's Trend Quantification and Projection model, a baseline utilization trend is developed using Humana's Small Commercial block of business historical medical claims data from 2008 - 2012. The historical baseline utilization trend is developed by removing all known impacts to utilization net trend such as demographics, geography, duration, customer changes, benefit changes, new health technologies, utilization management initiatives, and changes in pertinent days. An economic regression model, based on consumer sentiment, personal disposable income, hospital construction, and high-tech medical equipment spend, is then fit to this historical baseline utilization data to project the future block of business baseline utilization trend for 2013 and 2014.</p> <p>A midpoint to midpoint methodology is applied to determine the applicable baseline utilization trend, which incorporates 2012q3 and 2012q4 actual results at the state and legal entity level with the block of business baseline utilization trend for 2013 and 2014. This results in baseline utilization trends that vary at the state and legal entity level.</p> <p>Other components are added to the baseline utilization trend to develop the total utilization trend provided. These include the following:</p> <ul style="list-style-type: none"> <li>• Pertinent days – Captures changes in the calendar, recognizing that health care utilization varies by day of the week and reporting periods contain varying weekday mix and count. This impact is developed through the use of an external consultant's model which is uploaded with Humana's Commercial claims data.</li> <li>• New Health Technologies – Captures the impact of new health technologies and procedures. An external consulting firm researches new technologies and develops per member per month impacts. These impacts are customized to Humana's Commercial business based on membership and coverage policy.</li> <li>• Management Initiatives – Captures savings for Humana initiatives designed to bend trend by managing utilization, such as case management, disease management, and nurse programs. These initiatives are evaluated by an internal actuarial organization tasked with evaluating the effectiveness of the initiatives. Evaluations are done through a collaborative effort involving clinical and other operational areas. Projected savings are calculated by determining prospective changes to impacted metric values, which are determined by analyzing historical metric values as well as through discussions with clinical and operational areas. Savings are reviewed with leadership to ensure appropriateness of assumptions.</li> </ul> <p>This describes the development of the core utilization trend. All impacts from healthcare reform have been removed and are included in the "Population Risk/Morbidity" and "Other" adjustments from Worksheet 1 to prevent double counting of any impacts.</p>

#### Credibility Manual Rate Development

##### Source and Appropriateness of Experience Data Used:

For markets that are fully credible, the source data used to develop the manual rate is the 12-month experience period for the market for which rates are being submitted. For markets that are not fully credible and the issuer has another legal entity within the state that is fully credible, the source data used to develop the manual rates is a blend of 12-month experience period of another fully credible legal entity from the same state and the 12-month experience period for which rates are being submitted. For markets that are not fully credible and the issuer does not have another legal entity from the same state that is fully credible, the source data used to develop the manual rates is a blend of the 12-month experience period from similar products nationwide and the 12-month experience period for which rates are being submitted.



Since this market is not considered fully credible and a legal entity from the same state is fully credible, the source data used to develop the manual rates for this submission is a blend of the 12-month experience period of the market data and the Humana Health Plan legal entity.

#### Adjustments Made to the Data:

No adjustments made to the data, this source data is fully credible.

#### Inclusion of Capitation Payments:

No adjusted there made to the data, capitation payments are already included within the source data

#### Credibility of Experience

##### Description of the Credibility Methodology Used:

A value of 24,000 member-months of experience is assumed to be fully credible, this value was derived based on analyzing historical experience. Our credibility weight methodology utilizes the following equation:  $\sqrt{\text{member months in experience period}/24000}$ .

Resulting Credibility Level Assigned to Base Period Experience when applying the proposed credibility methodology

0.07

#### Paid to Allowed Ratio

The anticipated paid to allowed average factor over the projection period was developed by separately considering the anticipated paid to allowed factors by each plan tier.

Once calculated, projected member month weights for each plan tier (consistent with those provided in Worksheet 2) were applied to these paid to allowed factors to produce an overall anticipated paid to allowed average factor of 74.5%.

The plan tier paid to allowed factors were developed based on an internal pricing model with underlying utilization and costs reflective of a standard population equal to that of the anticipated membership in the overall 2014 risk pool. These values were developed in accordance with generally accepted actuarial principles and methodologies.

#### Risk Adjustment and Reinsurance

##### Projected Risk Adjustments PMPM:

The adjustment factor to account for Humana's expected transfer amount due to the risk adjustment process was derived from our participation in a study by Wakely Consulting, an actuarial consulting firm. Wakely generated an analysis of carrier risk scores in several states based on the carrier's small group experience. Wakely generated the analysis in states where at least 80% of the insured membership in a state's small group market was included through carrier participation in the study. For the carriers that participated in the study, Wakely received a summary of their membership and de-identified claim experience so that Wakely could generate HCC risk scores for all of the carriers small group membership based on the risk adjuster scoring methodology outlined by HHS. Each carrier was supplied a summary exhibit that showed the average risk score, expected risk score, average actuarial value, average rate factor, and induced demand factor for their small group block of business. Wakely generated the expected transfer amount for each carrier based on this study. Humana then applied an expected transfer amount based on the difference in our average premium per member to the state average small group premium per member taken from the 2011 MLR rate filing experience supplied by CCIO. The combination of the transfer amount and the difference between our average premium and the state average premium would produce the needed adjustment to our index rate for the expected risk adjuster transfer amount.

The projected risk adjustment is \$ 18.54 PMPM for this state and legal entity.

Reinsurance: Projected ACA reinsurance recoveries as a percent of premium have been accounted for in the Taxes and Fees percentage detailed

##### Projected ACA Reinsurance Recoveries Net of Reinsurance Premium (Individual Market and Combined Markets Only)

This does not apply to the small group market.

#### Non-Benefit Expenses and Profit & Risk

Expenses are based on our internal forecast for 2014. Expenses are estimated based off of current costs, projected volume changes and estimated changes in department workload. These expenses are simply loaded as a flat percentage of premium at this point in time and do not vary by product or plan.

##### **13.0% Administrative Expense Load**

- Broker & Sales Commissions: Compensation expenses associated with business issued through an agent or agency
- Quality Expenses: Expenses associated with quality that are allowed adjustments under the Medical Loss Ratio standards
- Clinical & Network Operations: non-quality clinical costs, provider contracting, and network maintenance & development
- IT Expenses: costs associated with maintenance and development of systems
- Customer Service & Account Installation: call center, customer service, and account management
- Corporate Administration: shared functions that are not exclusive to small group medical segment, including corporate finance, legal, human resources, etc.
- Small Group Administration: functional areas & personnel that solely work on small group medical segment
- Direct Response, Marketing, & Agency Management: direct to consumer marketing expenses, other marketing expenses and agency management expenses

##### **2.2% Profit (or Contribution to Surplus) & Risk Margin**

- Profit margin is shown on a pre- tax basis and does not include investment income. The margin shown does not vary by product or plan.

##### **3.7% Taxes and Fees**

- 0.8%** •State Premium Tax: state premium tax; charged on a percentage of premium
- 1.30%** •Federal Insurer Annual Fee: assessment created in 2014 by PPACA. Estimated at 1.3% of premium. Not income tax deductible
- 1.50%** •Federal Reinsurance Assessment Fee: assessment created in 2014 by PPACA. Estimated at 1.5% of premium.
- 0.02%** •Risk Adjuster Fee: charged on a percentage of premium basis to fund the risk adjuster process
- 0.05%** •Comparative Effectiveness Fee: charged on a percentage of premium to fund comparative research conduct research evaluating and comparing health outcomes and the clinical effectiveness, risks and benefits of medical treatments.

#### Projected Loss Ratio

The projected loss ratio using the Federally prescribed MLR methodology is :

Demonstration:

$$\frac{(2014 \text{ Claims}/2014 \text{ Premium}) + (\text{Quality Expenses as a \% of Premium})}{(1 - \text{Taxes and Fees as a \% of Premium})}$$
  
$$((2,077,388 / 2,596,649) + 1.6\%)/(1 - 3.7\%) =$$

**84.7%**

For this state and legal entity name, the projected loss ratio reported above was estimated using the 2-50 group segment experience, this does not align with the state's small business definition for calculating MLR rebates.

If the projected loss ratio is less than 80%, then the company comply with the Federal MLR requirements outlined in PHSA 2718.

#### Index Rate

The Experience Period is for coverage months between January 2012 and December 2012, over which time the covered benefits offered by the company were leaner than The Essential Health benefits required by the Affordable Care Act. Therefore, the index rate for the Experience Period is set equal to the total Allowed Claims PMPM in the Experience Period, with EHB pricing assumptions used to approximate the portion of the rate which covers EHB requirements in the projected period.

There are no state mandated covered benefits that are included in allowed claims but excluded from the index rate.

The following market-wide adjustments are applied to the projected index rate as the first step in determining plan level "index" rates:

- 1) Adjustments for the net impacts of both risk adjustment and reinsurance. See "Risk Adjustment and Reinsurance" earlier section for more details of this market-wide adjustment.
- 2) Expense estimates were based on our internal forecast for 2014. They were estimated based on current costs, modified to accommodate projected volume changes and changes in department workload. These are presented as a flat percentage of premium at this point in time and do not vary by product or plan, and thus are essentially another market-wide adjustment applied to the projected index rate.
- 3) An adjustment for the addition of non-EHB benefits (additional benefits we provide at our own discretion, as well as any state mandated benefits not reflected in the benchmark plan). It is assumed that the addition of such benefits increases costs to all plans uniformly, hence it is essentially handled as a market-wide adjustment.

Then the following plan-specific adjustments are applied to determine plan level "index" rates:

4) Each of the plan tier pricing actuarial values (AVs) were developed based on an internal pricing model with underlying utilization and costs reflective of a standard population equal to that of the anticipated membership in the overall 2014 risk pool. The data used to produce the small group pricing AVs was based on a standard population of commercially insured membership purchased from a third party vendor. Then, the 2014 plan design parameters were applied to those allowed claims to produce paid claims and pricing AV's. The company did not use the experience of the terminating products when determining the pricing adjustment due to the low membership on any particular plan which makes the experience not credible. These values were developed in accordance with generally accepted actuarial principles and methodologies.

5) The development of the index rate includes the anticipated average unit costs derived from the provider networks that will be available on this legal entity in this state. These average unit costs are the result of charge levels, network discounts, delivery system characteristics and utilization management practices across the entire state, for this legal entity.

6) The impact of Non-EHBs on the index rate is 0.08%.

#### AV Metal Values

The AV Metal Values entered in Worksheet 2 of the Part I Unified Rate Review Template were entirely based on the AV calculator unless listed below. For those plans listed below, an alternative methodology was used to generate AV Metal Values and a copy of the actuarial certification required by 45 CFR Part 156, §156.135 has been provided for each occurrence along with this memorandum. For each actuarial certification, the chosen alternate methodology and the reason the benefits for a particular plan are not compatible with the AV Calculator are detailed. Each certification has been signed by a member of the American Academy of Actuaries, and the generated AV Metal values were developed in accordance with generally accepted actuarial principles and methodologies.

Below is the list of plans where an alternative methodology was used to generate AV Metal Values

All plans were entirely based on the AV calculator.

#### AV Pricing Values

The fixed reference plan selected as the basis for the AV Pricing Values is: 79509CO0500011

#### Membership Projections

The company is terminating all non-grandfathered plans issued before 1/1/2014 and is projecting that groups will renew on similar plans throughout 2014. The membership projections found in Worksheet 2 of the Part I Unified Rate Review Template are based mapping membership from non-ACA compliant plans to 2014 ACA compliant plans. The overall membership volume is adjusted for anticipated market growth, in-force persistency, and relative competitiveness via our internal market level projection models.

#### Terminated Products

The product names being terminated prior to the effective date have been listed below. The list encompasses both products that have experience included in the single risk pool during the experience period and any products that were not in effect during the experience but were made available thereafter.

List of Terminated Products:

75909CO019	75909CO037
75909CO020	75909CO038
75909CO021	75909CO039
75909CO022	75909CO040
75909CO023	75909CO041
75909CO024	75909CO042
75909CO025	75909CO043
75909CO026	75909CO044
75909CO027	75909CO045
75909CO028	75909CO046
75909CO029	75909CO047
75909CO030	75909CO048
75909CO031	75909CO049
75909CO032	75909CO050
75909CO033	75909CO051
75909CO034	75909CO052
75909CO035	75909CO053

**Plan Type**

The plan types selected in the drop-down boxes in Worksheet 2, Section I of the Part I Unified Rate Review Template for each of the company's plans do not require further explanation. The company's plan types align with the definitions found on the Healthcare.gov website.

**Warning Alerts**

Benefit Category	Utilization Description	Utilization per 1,000	Average Cost/Service	PMPM	Pop'l risk Morbidity	Other	Cost	Util	Utilization per 1,000	Average Cost/Service	PMPM	Utilization per 1,000	Average Cost/Service	PMPM
Inpatient Hospital		142.23	\$5,967.19	\$ 70.73	1.000	0.987	1.054	1.025	149.43	\$ 6,544.70	\$ 81.50	\$ 197.51	\$ 5,063.70	\$ 83.34
Outpatient Hospital		1,990.94	941.80	156.26	1.000	0.987	1.053	0.992	1,959.21	1,030.99	168.33	\$ 1,938.80	564.97	91.28
Professional		9,648.03	201.56	162.06	1.000	0.987	1.020	1.041	10,455.39	207.04	180.39	\$ 8,049.74	148.50	99.62
Other Medical		823.59	105.64	7.25	1.000	0.987	1.019	1.091	980.30	108.30	8.85	\$ 1,028.05	120.64	10.34
Capitation		12,000.00	3.43	3.43	1.000	0.987	1.082	1.000	12,000.00	3.97	3.97	\$12,000.00	5.92	5.92
Prescription Drug		298.45	3,810.19	94.76	1.000	0.987	1.098	1.007	302.64	4,535.13	114.38	\$ 278.99	2,486.85	57.82
Total				\$ 494.48							\$ 557.40		23,493	\$ 348.31

Benefit Category	Utilization Description	Utilization per 1,000	Average Cost/Service	PMPM	Pop'l risk Morbidity	Other	Cost	Util	Utilization per 1,000	Average Cost/Service	PMPM	Utilization per 1,000	Average Cost/Service	PMPM
Inpatient Hospital		142.23	\$5,967.19	\$ 70.73	1.000	1.000	1.047	1.025	149.43	\$ 6,544.70	\$ 81.50	\$ 197.51	\$ 5,063.70	\$ 83.34
Outpatient Hospital		1,990.94	941.80	156.26	1.000	1.000	1.038	1.000	1,990.94	1,014.56	168.33	1938.80	564.97	91.28
Professional		9,648.03	201.56	162.06	1.000	1.000	1.013	1.041	10,455.39	207.04	180.39	8049.74	148.50	99.62
Other Medical		823.59	105.64	7.25	1.000	1.000	1.012	1.091	980.30	108.30	8.85	1028.05	120.64	10.34
Capitation		12,000.00	3.43	3.43	1.000	1.000	1.075	1.000	12,000.00	3.97	3.97	12000.00	5.92	5.92
Prescription Drug		298.45	3,810.19	94.76	1.000	1.000	1.091	1.007	302.64	4,535.13	114.38	278.99	2,486.85	57.82
Total				\$ 494.48							\$ 557.40		23,493	\$ 348.31

Due to an error in the Unified Rate Review Template, values cannot be less than a 1.0000. Figure A. shows our intentions and true PMPM by service category whereas Figure B. shows the modified exhibit which totals the same PMPM after adjustments to the other, cost, and utilization components.

**Reliance**

I, Paul Roe, ASA, MAAA, relied on information and underlying assumptions provided by internally developed pricing and modeling as well as third party consultant data in the establishment of these rates.

**Actuarial Certification**

I, Paul Roe, ASA, MAAA, am a Managing Actuary employed by Humana Insurance Company. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the Statement of Actuarial Opinion contained herein.

I hereby certify that to the best of my knowledge and judgment and based upon the information presented to me

1. The projected index rate is: \$350.70

- a. in compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)).
- b. developed in compliance with the applicable Actuarial Standards of Practice.
- c. reasonable in relation to the benefits provided and the population anticipated to be covered
- d. neither excessive nor deficient.

2. That the index rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates

3. That the percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.

4. That the AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans except those specified in the certification. For plans where an alternate methodology was used to calculate the AV Metal Value, a copy of the actuarial certification required by 45 CFR Part 156, §156.135 has been included. That certification was signed by a member of the American Academy of Actuaries, where he or she indicated that the values were developed in accordance with generally accepted actuarial principles and methodologies. That certification also includes a reason and a description of the alternate methodology that was used for each applicable plan.

This opinion is qualified, in that the Part I Unified Rate Review Template does not demonstrate the process used by the issuer to develop the rates. Rather, it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of qualified health plans for Federally facilitated exchanges and for certification that the index rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.

**Actuary signature:** \_\_\_\_\_

**Date:** July 5, 2013 \_\_\_\_\_

Paul Roe, ASA, MAAA  
Managing Actuary

# **HIC Small Business Non-Grandfathered Rate Manual**

**HUMANA INSURANCE COMPANY**  
**This is the rate filing for Humana's Small Business Products.**

**Medical Rating Formula**

The medical rates for coverage types are calculated as follows:

- 1.) Index Rate
- 2.) x Area Factor
- 3.) x Age Factor
- 4.) x Medical Plan Benefit Factor

**Drug Rating Formula**

- 1.) Index Rate
- 2.) x Area Factor
- 3.) x Age Factor
- 4.) x Rx Plan Benefit Factor

**TABLE 1**  
Index Rates

<b><u>Date</u></b>	<b><u>Medical</u></b>	<b><u>RX</u></b>
01/01/2014	\$ 325.83	\$ 55.33
02/01/2014	\$ 325.83	\$ 55.33
03/01/2014	\$ 325.83	\$ 55.33
04/01/2014	\$ 331.39	\$ 56.28
05/01/2014	\$ 331.39	\$ 56.28
06/01/2014	\$ 331.39	\$ 56.28
07/01/2014	\$ 337.05	\$ 57.23
08/01/2014	\$ 337.05	\$ 57.23
09/01/2014	\$ 337.05	\$ 57.23
10/01/2014	\$ 342.80	\$ 58.21
11/01/2014	\$ 342.80	\$ 58.21
12/01/2014	\$ 342.80	\$ 58.21

**TABLE 2**  
Area Factors

<b><u>Rating Area</u></b>	<b><u>Medical</u></b>	<b><u>Rx</u></b>
Boulder	1.3483	1.2947
Colorado Springs	1.2143	1.3571
Denver	1.1990	1.5079
Fort Collins	2.2457	2.1128
Grand Junction	2.2457	2.1128
Greeley	2.2457	2.1128
Northeast Non-MSA	2.2457	2.1128
Pueblo	2.2457	2.1128
Resort	2.2457	2.1128
Southeast Non-MSA	2.2457	2.1128
West Non-MSA	2.2457	2.1128

**TABLE 3**  
Age Factors

<i><b>Age</b></i>	<i><b>Factor</b></i>	<i><b>Age</b></i>	<i><b>Factor</b></i>
0-20	0.635	43	1.357
21	1.000	44	1.397
22	1.000	45	1.444
23	1.000	46	1.500
24	1.000	47	1.563
25	1.004	48	1.635
26	1.024	49	1.706
27	1.048	50	1.786
28	1.087	51	1.865
29	1.119	52	1.952
30	1.135	53	2.040
31	1.159	54	2.135
32	1.183	55	2.230
33	1.198	56	2.333
34	1.214	57	2.437
35	1.222	58	2.548
36	1.230	59	2.603
37	1.238	60	2.714
38	1.246	61	2.810
39	1.262	62	2.873
40	1.278	63	2.952
41	1.302	64+	3.000
42	1.325		

**Table 4**  
Medical Plan Factors

<i>Plan ID</i>	<i>Metal Tier</i>	<i>Plan Name</i>	<i>Coins</i>	<i>PCP Copay</i>	<i>PCP Ded</i>	<i>PCP OOP</i>	<i>Medical Factor</i>	<i>Rx</i>	<i>Factor</i>
79509CO050									
0001	Gold	Trad Copay PPO	100/70	25	500	4000	0.8103	Rx4 10/30/50/25%	0.8906
0002	Gold	Trad Copay PPO	100/70	25	1000	4000	0.7473	Rx4 10/30/50/25%	0.8906
0003	Silver	Trad Copay PPO	100/70	30	1500	6350	0.6700	Rx4 10/45/70/25%	0.7713
0004	Silver	Trad Copay PPO	100/70	30	2000	6350	0.6306	Rx4 10/35/55/25%	0.8507
0005	Silver	Trad Copay PPO	100/70	35	2000	5000	0.6401	Rx4 10/45/90/25% 100 ded	0.6498
0006	Silver	Trad Copay PPO	90/60	30	1500	6350	0.6145	Rx4 10/45/90/25% 100 ded	0.6498
0007	Silver	Trad Copay PPO	90/60	30	2000	6350	0.5899	Rx4 10/45/90/25%	0.7236
0008	Gold	Trad Copay PPO	80/50	25	500	4000	0.6386	Rx4 10/30/50/25%	0.8906
0009	Gold	Trad Copay PPO	80/50	25	1000	4000	0.5938	Rx4 10/30/50/25%	0.8906
0010	Silver	Trad Copay PPO	80/50	40	1500	5000	0.5326	Rx4 10/45/75/25% 100 ded	0.6805
0011	Silver	Trad Copay PPO	80/50	30	2000	6350	0.4969	Rx4 10/45/75/25%	0.7571
0012	Silver	Trad Copay PPO	80/50	30	2000	6350	0.4969	Rx4 10/35/70/25% 250 ded	0.6458
0013	Silver	Trad Copay PPO	80/50	45	2000	5000	0.5065	Rx4 10/35/50/25% 100 ded	0.7805
0014	Gold	Trad Copay PPO	70/50	20	1000	4000	0.5633	Rx4 10/30/50/25%	0.8906
0015	Silver	Trad Copay PPO	70/50	35	2000	6350	0.4715	Rx4 10/45/75/25% 100 ded	0.6805
0016	Silver	Trad Copay PPO	70/50	40	2000	6350	0.4650	Rx4 10/35/55/25% 250 ded	0.6783
0017	Silver	Trad Copay PPO	60/50	30	2000	6350	0.4483	Rx4 10/45/75/25% 100 ded	0.6805
0018	Silver	Trad Copay PPO	60/50	35	2000	6350	0.4455	Rx4 10/35/75/25%	0.8029
0019	Silver	Trad Copay PPO	60/50	40	2000	6350	0.4402	Rx4 10/40/70/25% 250 ded	0.6270
0020	Silver	Trad Copay PPO	50/50	25	2000	6350	0.4059	Rx4 10/35/75/25%	0.8029
0021	Silver	Trad Copay PPO	50/50	30	2000	6350	0.3925	Rx4 10/30/50/25% 100 ded	0.8032
0022	Silver	Trad Copay PPO	50/50	35	2000	6350	0.3995	Rx4 10/45/75/25% 100 ded	0.6805
0023	Silver	Trad Copay PPO	50/50	40	2000	6350	0.3938	Rx4 10/40/70/25% 250 ded	0.6270
0024	Gold	EHDHP PPO	100/70	0	2000	2000	0.8766	ded/c	0.0000
0025	Bronze	EHDHP PPO	90/60	0	5000	6350	0.5714	ded/c	0.0000
0026	Silver	EHDHP PPO	80/50	0	2000	6350	0.6548	ded/c	0.0000
0027	Bronze	EHDHP PPO	80/50	0	4000	6350	0.5232	ded/c	0.0000
0028	Bronze	EHDHP PPO	80/50	0	5000	6350	0.4870	ded/c	0.0000
0029	Silver	EHDHP PPO	70/50	0	1500	6350	0.6335	ded/c	0.0000
0030	Bronze	EHDHP PPO	70/50	0	3500	6350	0.5175	ded/c	0.0000
0031	Gold	HDHP PPO	100/70	0	1750	1750	0.8937	ded/c	0.0000
0032	Bronze	HDHP PPO	100/70	0	5500	5000	0.5615	ded/c	0.0000
0033	Silver	HDHP PPO	80/50	0	1500	6350	0.6888	ded/c	0.0000
0034	Bronze	HDHP PPO	80/50	0	4000	6350	0.5081	ded/c	0.0000
0046	Gold	Simplicity PPO	100/70	30	0	6350	0.6533	SRx4 10/35/55/25%	0.8530
0047	Silver	Simplicity PPO	100/70	45	0	6350	0.4725	SRx4 10/45/90/25%	0.7256
0048	Silver	Simplicity PPO	100/70	50	0	6350	0.3975	SRx4 10/40/70/25%	0.7908
0049	Silver	Coins PPO	80/50	0	2000	5000	0.5046	Rx4 10/45/90/25%	0.7236
0050	Silver	Coins PPO	70/50	0	1500	5000	0.5001	Rx4 10/45/90/25%	0.7236
0051	Bronze	Coins PPO	70/50	0	5000	6350	0.3634	Rx4 10/45/90/25% 100 ded	0.6498
79509CO051									
0001	Silver	Indemnity	80/50	0	2000	5000	0.8519	Rx4 10/45/90/25%	0.7236

**General Information**

This filing is for the 1-50 small group market, with an effective date of 01/01/2014.

Company Identifying Information:

Company Legal Name: **Humana Insurance Company**  
 State: **CO**  
 HIOS Issuer ID: **79509**  
 Market: **Small Group**  
 Effective Date: **01/01/2014**

Company Contact Information:

Primary Contact Name: **Jason Hill**  
 Primary Contact Telephone Number: **920-337-5488**  
 Primary Contact Email Address: **jhill11@humana.com**

**Purpose:**

The purpose of this actuarial memorandum is to provide supporting justification to the Unified Rate Review template with the goal of demonstrating compliance with the market rating rules, as well as reasonableness of any proposed rates.

In addition, this actuarial memorandum provides required actuarial certifications related to:

- the methodology used to calculate the AV Metal Value for each plan
- the appropriateness of the essential health benefit portion of premium upon which advanced payment of premium tax credits (APTCs) are based
- the index rate is developed in accordance with federal regulations and the index rate along with allowable modifiers are used in the development of plan specific premium rates

This filing should be used for no other purposes.

This memorandum was prepared by a qualified actuary, and is intended to be reviewed by a qualified actuary

**Proposed Rate Increase(s)**Reason for Rate Increase(s):

For 1/1/2014, the company is issuing all new products that comply with the requirements of the Affordable Care Act and is terminating all non-grandfathered products issued before 1/1/2014. In accordance with HHS regulations, the proposed rate increase for all new plans is zero percent.

**Experienced Period Premium and Claims**

Paid Through Date: The date through which payments have been made on Claims incurred during the experience period is

**03/31/2013**

Premiums (net of MLR Rebate) in Experience Period:

Premiums net of MLR rebate:	\$	<b>1,979,801</b>
MLR Rebates:	\$	-
Estimated Rebates to be included:	\$	-

The basis for the Humana Small Business rebate forecast is forecasted membership, premium, claims, and expenses at the state and legal entity level. These forecasted metrics are run through a simulated rebate model, where the various components of rebate legislation are applied. The most impactful adjustments include the credibility adjustment (based on forecasted member months) and the adjustment to remove taxes and licensing fees from premium. These items are combined to estimate the Rebate Calculation Ratio (RCR), which is then compared against the 80% threshold for the Small Business segment to calculate final expected rebates.

Allowed and Incurred Claims Incurred During the Experience Period

	Allowed Claims	Incurred Claims
Claims that were processed through the issuer's claim system	\$ <b>2,018,483</b>	\$ <b>1,591,113</b>
Claims that were processed outside the issuer's claim system	\$ -	\$ -
Claims incurred but not paid as of paid through date	\$ <b>65,428</b>	\$ <b>51,575</b>

Allowed claims come directly from the an issuer's claims system after eligibility and network discounts are applied, allowed medical claims, allowed Rx claims, and member capitation payments are combined to populate the experience period data above. Member cost sharing is removed from the allowed claims to report the incurred claims entered above.

To estimate incurred claims, all commercial claims experience is segregated by legal entity, processing platform, product, geography and claim category so that appropriate balance of homogeneity and credible size is maintained. The segmentation logic is reviewed at least annually or when significant changes in the block occur (e.g. acquisitions). The paid-to-incurred claim triangles for each block are used to develop completion factors that are applied to each incurred month to estimate ultimate incurred amounts. Estimated ultimate incurred claims for the most recent twelve months are then adjusted for pending claims if there is a material variance from historical levels. Finally, the completion factors and estimated ultimate incurred claims are reviewed and may be changed to account for known anomalies in the data that may have distorted the calculation. The difference between the estimated ultimate incurred claims and the current paid-to-date amounts is the estimate of the incurred but not paid claims for each incurred month. In the calculation process, completion factors, per typical actuarial practice, are not permitted to be greater than 1.00. That is, no coverage month is permitted to have an incurred claim estimate less than the amount of claims paid to date even though historical experience may indicate that this is likely due to future claim recoveries.

For each month of incurred, the incurred but not reported amount equals the incurred claims estimate minus claims paid to date. Follow-up studies, including monthly historical reserve restatement analyses, are regularly performed to test the accuracy of the reserving methodology and suggest possible improvements.

Allowed but not reported estimates are developed utilizing the combination of the incurred but not reported estimate and the incurred to allowed ratio of historical claims.

**Benefit Categories**

The Benefit Categories are defined as follows:

Inpatient Hospital: Includes non-capitated services for medical, surgical, maternity, mental health and substance abuse, skilled nursing, and other services provided in an inpatient facility setting and billed by the facility.

Outpatient Hospital: Includes non-capitated services for surgery, emergency room, lab, radiology, therapy, observation and other services provided in an outpatient facility setting and billed by the facility. The Outpatient Hospital benefit category uses a combination of both visits and services to determine the utilization per 1,000. For items such as Outpatient Surgery and Emergency Room, where multiple services are rendered and can be billed together, visits are used for the measurement units. For single items that can be billed separately, such as Outpatient Therapy or MRI, services are used for the measurement units.



**Professional:** Includes non-capitated primary care, specialist, therapy, laboratory, radiology, and other professional services not billed by the facility. The Professional benefit category uses a combination of both visits and services to determine the utilization per 1,000. For items such as Primary Care or Specialist Office visits, where multiple services are rendered and can be billed together, visits are used for the measurement units. For single items that can be billed separately, such as Therapy or MRI, services are used for the measurement units.

**Other Medical:** Includes non-capitated ambulance, home health care, DME, prosthetics, supplies, vision exams, dental services and other services. The Other Medical benefit category uses a combination of both visits and services to determine the utilization per 1,000. For items such as Home Health visits, where multiple services are rendered and can be billed together, visits are used for the measurement units. For single items that can be billed separately, such as DME, services are used for the measurement units.

**Capitation:** Includes all services provided under one or more capitated arrangements.

**Prescription Drug:** Includes drugs dispensed by a pharmacy. This amount should be net of rebates received from drug manufacturers.

#### **Projection Factors**

0.0%	<p><b><u>Changes in the Morbidity of the Population Insured:</u></b></p> <p>This adjustment is intended to capture the change in underlying morbidity for the risk pool in 2014 compared to the current risk pool. In the small group market, the company is projecting little to no impact due to this projected factor in 2014. This industry morbidity assumption is based on a number of third-party industry wide studies and a nationwide internal analysis.</p>
1.8%	<p><b><u>Changes in Benefits:</u></b></p> <p>All new plans must cover the essential health benefits package in 2014. The specifics of the essential health benefits are contained within the benchmark plan selected in each state. There are number benefits that are considered to require rate increases in the small group market: women's preventive health, behavioral services and other state-specific services outlined in the benchmark plan and currently not reflected in the experience period data. Seven months of the experience period does not include the expected cost from the Women's Preventive Legislation and has been allocated as a percent of premium. The rate increase associated with this benefit change is .7%.</p> <p>Federal Mental Health Parity requirements is currently not in the experience period, the rate increase associated with this benefit change is .3%.</p> <p>For this state and legal entity, this list of other state specific services outlined in the benchmark plan include: Pediatric Dental and Vision, Cochlear implants, Prosthetics, and Tobacco Cessation. The rate increase associated with these benefits changes is .7712%.</p>
0.0%	<p><b><u>Changes in Demographics:</u></b></p> <p>The company is assuming the same average mix of population by age, gender, and region in the projected period as in the underlying base period experience.</p>
-3.0%	<p><b><u>Other adjustments:</u></b></p> <p>This adjustment is intended to capture the change in the company's existing risk as it converges to the market average risk due to lack of underwriting. This percentage was estimated based on a study performed by Wakely Consulting which developed the risk of each carrier's book of business relative to the small group market in the state.</p>
13.8%	<p><b><u>Trend Factors (cost/utilization):</u></b></p> <p>The cost trend captures pure unit cost changes from midpoint 2012 to midpoint 2014, calculated using the same basket of services each period, due to price/contract negotiations and provider distribution changes.</p> <p>Inpatient Hospital, Outpatient Hospital, Professional, Capitation and Other Medical cost trends are developed based on historical area specific cost trends from Humana's Small Commercial block of business data. Future cost trends are developed based on expected changes in Humana's Commercial contracts. Pharmacy cost trends are developed based on historical brand, generic, and specialty drug trends from Humana's Commercial data. Future cost trends are developed based on expected changes in these pharmacy contracts.</p> <p>These contractual impacts will be applicable to all members regardless of risk class.</p> <p>Utilization trend: Using Humana's Trend Quantification and Projection model, a baseline utilization trend is developed using Humana's Small Commercial block of business historical medical claims data from 2008 - 2012. The historical baseline utilization trend is developed by removing all known impacts to utilization net trend such as demographics, geography, duration, customer changes, benefit changes, new health technologies, utilization management initiatives, and changes in pertinent days. An economic regression model, based on consumer sentiment, personal disposable income, hospital construction, and high-tech medical equipment spend, is then fit to this historical baseline utilization data to project the future block of business baseline utilization trend for 2013 and 2014.</p> <p>A midpoint to midpoint methodology is applied to determine the applicable baseline utilization trend, which incorporates 2012q3 and 2012q4 actual results at the state and legal entity level with the block of business baseline utilization trend for 2013 and 2014. This results in baseline utilization trends that vary at the state and legal entity level.</p> <p>Other components are added to the baseline utilization trend to develop the total utilization trend provided. These include the following:</p> <ul style="list-style-type: none"> <li>• Pertinent days – Captures changes in the calendar, recognizing that health care utilization varies by day of the week and reporting periods contain varying weekday mix and count. This impact is developed through the use of an external consultant's model which is uploaded with Humana's Commercial claims data.</li> <li>• New Health Technologies – Captures the impact of new health technologies and procedures. An external consulting firm researches new technologies and develops per member per month impacts. These impacts are customized to Humana's Commercial business based on membership and coverage policy.</li> <li>• Management Initiatives – Captures savings for Humana initiatives designed to bend trend by managing utilization, such as case management, disease management, and nurse programs. These initiatives are evaluated by an internal actuarial organization tasked with evaluating the effectiveness of the initiatives. Evaluations are done through a collaborative effort involving clinical and other operational areas. Projected savings are calculated by determining prospective changes to impacted metric values, which are determined by analyzing historical metric values as well as through discussions with clinical and operational areas. Savings are reviewed with leadership to ensure appropriateness of assumptions.</li> </ul> <p>This describes the development of the core utilization trend. All impacts from healthcare reform have been removed and are included in the "Population Risk/Morbidity" and "Other" adjustments from Worksheet 1 to prevent double counting of any impacts.</p>

#### **Credibility Manual Rate Development**

##### **Source and Appropriateness of Experience Data Used:**

For markets that are fully credible, the source data used to develop the manual rate is the 12-month experience period for the market for which rates are being submitted. For markets that are not fully credible and the issuer has another legal entity within the state that is fully credible, the source data used to develop the manual rates is a blend of 12-month experience period of another fully credible legal entity from the same state and the 12-month experience period for which rates are being submitted. For markets that are not fully credible and the issuer does not have another legal entity from the same state that is fully credible, the source data used to develop the manual rates is a blend of the 12-month experience period from similar products nationwide and the 12-month experience period for which rates are being submitted.

Since this market is not considered fully credible and a legal entity from the same state is fully credible, the source data used to develop the manual rates for this submission is a blend of the 12-month experience period of the market data and the Humana Health Plan legal entity.

#### Adjustments Made to the Data:

No adjustments made to the data, this source data is fully credible.

#### Inclusion of Capitation Payments:

No adjusted there made to the data, capitation payments are already included within the source data

#### Credibility of Experience

##### Description of the Credibility Methodology Used:

A value of 24,000 member-months of experience is assumed to be fully credible, this value was derived based on analyzing historical experience. Our credibility weight methodology utilizes the following equation:  $\sqrt{\text{member months in experience period}/24000}$ .

##### Resulting Credibility Level Assigned to Base Period Experience when applying the proposed credibility methodology

0.07

#### Paid to Allowed Ratio

The anticipated paid to allowed average factor over the projection period was developed by separately considering the anticipated paid to allowed factors by each plan tier.

Once calculated, projected member month weights for each plan tier (consistent with those provided in Worksheet 2) were applied to these paid to allowed factors to produce an overall anticipated paid to allowed average factor of 74.5%.

The plan tier paid to allowed factors were developed based on an internal pricing model with underlying utilization and costs reflective of a standard population equal to that of the anticipated membership in the overall 2014 risk pool. These values were developed in accordance with generally accepted actuarial principles and methodologies.

#### Risk Adjustment and Reinsurance

##### Projected Risk Adjustments PMPM:

The adjustment factor to account for Humana's expected transfer amount due to the risk adjustment process was derived from our participation in a study by Wakely Consulting, an actuarial consulting firm. Wakely generated an analysis of carrier risk scores in several states based on the carrier's small group experience. Wakely generated the analysis in states where at least 80% of the insured membership in a state's small group market was included through carrier participation in the study. For the carriers that participated in the study, Wakely received a summary of their membership and de-identified claim experience so that Wakely could generate HCC risk scores for all of the carriers small group membership based on the risk adjuster scoring methodology outlined by HHS. Each carrier was supplied a summary exhibit that showed the average risk score, expected risk score, average actuarial value, average rate factor, and induced demand factor for their small group block of business. Wakely generated the expected transfer amount for each carrier based on this study. Humana then applied an expected transfer amount based on the difference in our average premium per member to the state average small group premium per member taken from the 2011 MLR rate filing experience supplied by CCIIO. The combination of the transfer amount and the difference between our average premium and the state average premium would produce the needed adjustment to our index rate for the expected risk adjuster transfer amount.

The projected risk adjustment is \$ 33.28 PMPM for this state and legal entity.

Reinsurance: Projected ACA reinsurance recoveries as a percent of premium have been accounted for in the Taxes and Fees percentage detailed

##### Projected ACA Reinsurance Recoveries Net of Reinsurance Premium (Individual Market and Combined Markets Only)

This does not apply to the small group market.

#### Non-Benefit Expenses and Profit & Risk

Expenses are based on our internal forecast for 2014. Expenses are estimated based off of current costs, projected volume changes and estimated changes in department workload. These expenses are simply loaded as a flat percentage of premium at this point in time and do not vary by product or plan.

##### **13.0% Administrative Expense Load**

- Broker & Sales Commissions: Compensation expenses associated with business issued through an agent or agency
- Quality Expenses: Expenses associated with quality that are allowed adjustments under the Medical Loss Ratio standards
- Clinical & Network Operations: non-quality clinical costs, provider contracting, and network maintenance & development
- IT Expenses: costs associated with maintenance and development of systems
- Customer Service & Account Installation: call center, customer service, and account management
- Corporate Administration: shared functions that are not exclusive to small group medical segment, including corporate finance, legal, human resources, etc.
- Small Group Administration: functional areas & personnel that solely work on small group medical segment
- Direct Response, Marketing, & Agency Management: direct to consumer marketing expenses, other marketing expenses and agency management expenses

##### **2.2% Profit (or Contribution to Surplus) & Risk Margin**

- Profit margin is shown on a pre- tax basis and does not include investment income. The margin shown does not vary by product or plan.

##### **3.7% Taxes and Fees**

- 0.8%** •State Premium Tax: state premium tax; charged on a percentage of premium
- 1.30%** •Federal Insurer Annual Fee: assessment created in 2014 by PPACA. Estimated at 1.3% of premium. Not income tax deductible
- 1.50%** •Federal Reinsurance Assessment Fee: assessment created in 2014 by PPACA. Estimated at 1.5% of premium.
- 0.02%** •Risk Adjuster Fee: charged on a percentage of premium basis to fund the risk adjuster process
- 0.05%** •Comparative Effectiveness Fee: charged on a percentage of premium to fund comparative research conduct research evaluating and comparing health outcomes and the clinical effectiveness, risks and benefits of medical treatments.

#### Projected Loss Ratio

The projected loss ratio using the Federally prescribed MLR methodology is :

Demonstration:

$$\frac{(2014 \text{ Claims}/2014 \text{ Premium}) + (\text{Quality Expenses as a \% of Premium})}{(1 - \text{Taxes and Fees as a \% of Premium})}$$
  
$$((2,077,388 / 2,596,649) + 1.6\%)/(1 - 3.7\%) =$$

**84.7%**

For this state and legal entity name, the projected loss ratio reported above was estimated using the 2-50 group segment experience, this does not align with the state's small business definition for calculating MLR rebates.

If the projected loss ratio is less than 80%, then the company comply with the Federal MLR requirements outlined in PHSA 2718.

#### Index Rate

The Experience Period is for coverage months between January 2012 and December 2012, over which time the covered benefits offered by the company were leaner than The Essential Health benefits required by the Affordable Care Act. Therefore, the index rate for the Experience Period is set equal to the total Allowed Claims PMPM in the Experience Period, with EHB pricing assumptions used to approximate the portion of the rate which covers EHB requirements in the projected period.

There are no state mandated covered benefits that are included in allowed claims but excluded from the index rate.

The following market-wide adjustments are applied to the projected index rate as the first step in determining plan level "index" rates:

- 1) Adjustments for the net impacts of both risk adjustment and reinsurance. See "Risk Adjustment and Reinsurance" earlier section for more details of this market-wide adjustment.
- 2) Expense estimates were based on our internal forecast for 2014. They were estimated based on current costs, modified to accommodate projected volume changes and changes in department workload. These are presented as a flat percentage of premium at this point in time and do not vary by product or plan, and thus are essentially another market-wide adjustment applied to the projected index rate.
- 3) An adjustment for the addition of non-EHB benefits (additional benefits we provide at our own discretion, as well as any state mandated benefits not reflected in the benchmark plan). It is assumed that the addition of such benefits increases costs to all plans uniformly, hence it is essentially handled as a market-wide adjustment.

Then the following plan-specific adjustments are applied to determine plan level "index" rates:

4) Each of the plan tier pricing actuarial values (AVs) were developed based on an internal pricing model with underlying utilization and costs reflective of a standard population equal to that of the anticipated membership in the overall 2014 risk pool. The data used to produce the small group pricing AVs was based on a standard population of commercially insured membership purchased from a third party vendor. Then, the 2014 plan design parameters were applied to those allowed claims to produce paid claims and pricing AV's. The company did not use the experience of the terminating products when determining the pricing adjustment due to the low membership on any particular plan which makes the experience not credible. These values were developed in accordance with generally accepted actuarial principles and methodologies.

5) The development of the index rate includes the anticipated average unit costs derived from the provider networks that will be available on this legal entity in this state. These average unit costs are the result of charge levels, network discounts, delivery system characteristics and utilization management practices across the entire state, for this legal entity.

6) The impact of Non-EHBs on the index rate is 0.08%.

#### AV Metal Values

The AV Metal Values entered in Worksheet 2 of the Part I Unified Rate Review Template were entirely based on the AV calculator unless listed below. For those plans listed below, an alternative methodology was used to generate AV Metal Values and a copy of the actuarial certification required by 45 CFR Part 156, §156.135 has been provided for each occurrence along with this memorandum. For each actuarial certification, the chosen alternate methodology and the reason the benefits for a particular plan are not compatible with the AV Calculator are detailed. Each certification has been signed by a member of the American Academy of Actuaries, and the generated AV Metal values were developed in accordance with generally accepted actuarial principles and methodologies.

Below is the list of plans where an alternative methodology was used to generate AV Metal Values

All plans were entirely based on the AV calculator.

#### AV Pricing Values

The fixed reference plan selected as the basis for the AV Pricing Values is: 79509CO0500011

#### Membership Projections

The company is terminating all non-grandfathered plans issued before 1/1/2014 and is projecting that groups will renew on similar plans throughout 2014. The membership projections found in Worksheet 2 of the Part I Unified Rate Review Template are based mapping membership from non-ACA compliant plans to 2014 ACA compliant plans. The overall membership volume is adjusted for anticipated market growth, in-force persistency, and relative competitiveness via our internal market level projection models.

#### Terminated Products

The product names being terminated prior to the effective date have been listed below. The list encompasses both products that have experience included in the single risk pool during the experience period and any products that were not in effect during the experience but were made available thereafter.

List of Terminated Products:

75909CO019	75909CO037
75909CO020	75909CO038
75909CO021	75909CO039
75909CO022	75909CO040
75909CO023	75909CO041
75909CO024	75909CO042
75909CO025	75909CO043
75909CO026	75909CO044
75909CO027	75909CO045
75909CO028	75909CO046
75909CO029	75909CO047
75909CO030	75909CO048
75909CO031	75909CO049
75909CO032	75909CO050
75909CO033	75909CO051
75909CO034	75909CO052
75909CO035	75909CO053

**Plan Type**

The plan types selected in the drop-down boxes in Worksheet 2, Section I of the Part I Unified Rate Review Template for each of the company's plans do not require further explanation. The company's plan types align with the definitions found on the Healthcare.gov website.

**Warning Alerts**

Benefit Category	Utilization Description	Utilization per 1,000	Average Cost/Service	PMPM	Pop'l risk Morbidity	Other	Cost	Util	Utilization per 1,000	Average Cost/Service	PMPM	Utilization per 1,000	Average Cost/Service	PMPM
Inpatient Hospital		142.23	\$5,967.19	\$ 70.73	1.000	0.987	1.054	1.025	149.43	\$ 6,544.70	\$ 81.50	\$ 197.51	\$ 5,063.70	\$ 83.34
Outpatient Hospital		1,990.94	941.80	156.26	1.000	0.987	1.053	0.992	1,959.21	1,030.99	168.33	\$ 1,938.80	564.97	91.28
Professional		9,648.03	201.56	162.06	1.000	0.987	1.020	1.041	10,455.39	207.04	180.39	\$ 8,049.74	148.50	99.62
Other Medical		823.59	105.64	7.25	1.000	0.987	1.019	1.091	980.30	108.30	8.85	\$ 1,028.05	120.64	10.34
Capitation		12,000.00	3.43	3.43	1.000	0.987	1.082	1.000	12,000.00	3.97	3.97	\$12,000.00	5.92	5.92
Prescription Drug		298.45	3,810.19	94.76	1.000	0.987	1.098	1.007	302.64	4,535.13	114.38	\$ 278.99	2,486.85	57.82
Total				\$ 494.48							\$ 557.40		23,493	\$ 348.31

Benefit Category	Utilization Description	Utilization per 1,000	Average Cost/Service	PMPM	Pop'l risk Morbidity	Other	Cost	Util	Utilization per 1,000	Average Cost/Service	PMPM	Utilization per 1,000	Average Cost/Service	PMPM
Inpatient Hospital		142.23	\$5,967.19	\$ 70.73	1.000	1.000	1.047	1.025	149.43	\$ 6,544.70	\$ 81.50	\$ 197.51	\$ 5,063.70	\$ 83.34
Outpatient Hospital		1,990.94	941.80	156.26	1.000	1.000	1.038	1.000	1,990.94	1,014.56	168.33	1938.80	564.97	91.28
Professional		9,648.03	201.56	162.06	1.000	1.000	1.013	1.041	10,455.39	207.04	180.39	8049.74	148.50	99.62
Other Medical		823.59	105.64	7.25	1.000	1.000	1.012	1.091	980.30	108.30	8.85	1028.05	120.64	10.34
Capitation		12,000.00	3.43	3.43	1.000	1.000	1.075	1.000	12,000.00	3.97	3.97	12000.00	5.92	5.92
Prescription Drug		298.45	3,810.19	94.76	1.000	1.000	1.091	1.007	302.64	4,535.13	114.38	278.99	2,486.85	57.82
Total				\$ 494.48							\$ 557.40		23,493	\$ 348.31

Due to an error in the Unified Rate Review Template, values cannot be less than a 1.0000. Figure A. shows our intentions and true PMPM by service category whereas Figure B. shows the modified exhibit which totals the same PMPM after adjustments to the other, cost, and utilization components.

**Reliance**

I, Paul Roe, ASA, MAAA, relied on information and underlying assumptions provided by internally developed pricing and modeling as well as third party consultant data in the establishment of these rates.

**Actuarial Certification**

I, Paul Roe, ASA, MAAA, am a Managing Actuary employed by Humana Insurance Company. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the Statement of Actuarial Opinion contained herein.

I hereby certify that to the best of my knowledge and judgment and based upon the information presented to me

1. The projected index rate is: \$350.70

- a. in compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)).
- b. developed in compliance with the applicable Actuarial Standards of Practice.
- c. reasonable in relation to the benefits provided and the population anticipated to be covered
- d. neither excessive nor deficient.

2. That the index rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates

3. That the percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.

4. That the AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans except those specified in the certification. For plans where an alternate methodology was used to calculate the AV Metal Value, a copy of the actuarial certification required by 45 CFR Part 156, §156.135 has been included. That certification was signed by a member of the American Academy of Actuaries, where he or she indicated that the values were developed in accordance with generally accepted actuarial principles and methodologies. That certification also includes a reason and a description of the alternate methodology that was used for each applicable plan.

This opinion is qualified, in that the Part I Unified Rate Review Template does not demonstrate the process used by the issuer to develop the rates. Rather, it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of qualified health plans for Federally facilitated exchanges and for certification that the index rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.

**Actuary signature:** \_\_\_\_\_

**Date:** July 5, 2013 \_\_\_\_\_

Paul Roe, ASA, MAAA  
Managing Actuary

# **HIC Small Business Non-Grandfathered Rate Manual**

**HUMANA INSURANCE COMPANY**  
**This is the rate filing for Humana's Small Business Products.**

**Development of Composite Rates**

The composite rates are calculated as follows:

- 1.) Sum of Individual Rates for all Employees and Dependents
- 2.) Sum of Employees with Single Coverage x Single Composite Coverage Type Factor (1.0).
- 3.) Sum of Employees with EE+CH Coverage x EE+CH Composite Coverage Type Factor (1.9).
- 4.) Sum of Employees with EE+SP Coverage x EE+SP Composite Coverage Type Factor (2.2).
- 5.) Sum of Employees with Family Coverage x Family Composite Coverage Type Factor (3.0).
- 6.) (2) + (3) + (4) + (5)
- 7.) (6) / (1) = Single Composite Rate.
- 8.) (7) x EE+CH Composite Coverage Type Factor = EE+CH Composite Rate.
- 9.) (8) x EE+SP Composite Coverage Type Factor = EE+SP Composite Rate.
- 10.) (9) x Family Composite Coverage Type Factor = Family Composite Rate.

**2-9 Size Groups**

For 2-9 life cases, rates will be developed for every employee and these rates will be listed on the premium statement.

**Composite Rate - Premium Rate Development**

The total combined premium PMPMs (per-member-per-month) are converted to composite premium rates based on the coverage type factors shown included in steps 2 through 5 above.

**Medical Rating Formula**

The medical rates for coverage types are calculated as follows:

- 1.) Index Rate
- 2.) x Area Factor
- 3.) x Age Factor
- 4.) x Medical Plan Benefit Factor
- 5.) x Optional Riders

**Drug Rating Formula**

- 1.) Index Rate
- 2.) x Area Factor
- 3.) x Age Factor
- 4.) x Rx Plan Benefit Factor

**TABLE 1**  
Index Rates

<b><u>Date</u></b>	<b><u>Medical</u></b>	<b><u>RX</u></b>
01/01/2014	\$ 325.83	\$ 55.33
02/01/2014	\$ 325.83	\$ 55.33
03/01/2014	\$ 325.83	\$ 55.33
04/01/2014	\$ 331.39	\$ 56.28
05/01/2014	\$ 331.39	\$ 56.28
06/01/2014	\$ 331.39	\$ 56.28
07/01/2014	\$ 337.05	\$ 57.23
08/01/2014	\$ 337.05	\$ 57.23
09/01/2014	\$ 337.05	\$ 57.23
10/01/2014	\$ 342.80	\$ 58.21
11/01/2014	\$ 342.80	\$ 58.21
12/01/2014	\$ 342.80	\$ 58.21

**TABLE 2**  
Area Factors

<b><u>Rating Area</u></b>	<b><u>Medical</u></b>	<b><u>Rx</u></b>
Boulder	1.3976	1.2947
Colorado Springs	1.2282	1.3571
Denver	1.2127	1.5079
Fort Collins	2.2457	2.1128
Grand Junction	2.2457	2.1128
Greeley	2.2457	2.1128
Northeast Non-MSA	2.2457	2.1128
Pueblo	2.2457	2.1128
Resort	2.2457	2.1128
Southeast Non-MSA	2.2457	2.1128
West Non-MSA	2.2457	2.1128

**TABLE 3**  
Age Factors

<i><b>Age</b></i>	<i><b>Factor</b></i>	<i><b>Age</b></i>	<i><b>Factor</b></i>
0-20	0.635	43	1.357
21	1.000	44	1.397
22	1.000	45	1.444
23	1.000	46	1.500
24	1.000	47	1.563
25	1.004	48	1.635
26	1.024	49	1.706
27	1.048	50	1.786
28	1.087	51	1.865
29	1.119	52	1.952
30	1.135	53	2.040
31	1.159	54	2.135
32	1.183	55	2.230
33	1.198	56	2.333
34	1.214	57	2.437
35	1.222	58	2.548
36	1.230	59	2.603
37	1.238	60	2.714
38	1.246	61	2.810
39	1.262	62	2.873
40	1.278	63	2.952
41	1.302	64+	3.000
42	1.325		



**Table 4**  
Medical Plan Factors

<u>Plan</u>	<u>Product Type</u>	<u>Coins</u>	<u>PCP Copay</u>	<u>PCP Ded</u>	<u>PCP OOP</u>	<u>Rx</u>	<u>Factor</u>
75909CO050	-	-	-	-	-	-	-
0001	Trad Copay PPO	100/70	25	500	4000	Rx4 10/30/50/25%	0.8103
0002	Trad Copay PPO	100/70	25	1000	4000	Rx4 10/30/50/25%	0.7473
0003	Trad Copay PPO	100/70	30	1500	6350	Rx4 10/45/70/25%	0.6700
0004	Trad Copay PPO	100/70	30	2000	6350	Rx4 10/35/55/25%	0.6306
0005	Trad Copay PPO	100/70	35	2000	5000	Rx4 10/45/90/25% 100 ded	0.6401
0006	Trad Copay PPO	90/60	30	1500	6350	Rx4 10/45/90/25% 100 ded	0.6145
0007	Trad Copay PPO	90/60	30	2000	6350	Rx4 10/45/90/25%	0.5899
0008	Trad Copay PPO	80/50	25	500	4000	Rx4 10/30/50/25%	0.6386
0009	Trad Copay PPO	80/50	25	1000	4000	Rx4 10/30/50/25%	0.5938
0010	Trad Copay PPO	80/50	40	1500	5000	Rx4 10/45/75/25% 100 ded	0.5326
0011	Trad Copay PPO	80/50	30	2000	6350	Rx4 10/45/75/25%	0.4969
0012	Trad Copay PPO	80/50	30	2000	6350	Rx4 10/35/70/25% 250 ded	0.4969
0013	Trad Copay PPO	80/50	45	2000	5000	Rx4 10/35/50/25% 100 ded	0.5065
0014	Trad Copay PPO	70/50	20	1000	4000	Rx4 10/30/50/25%	0.5633
0015	Trad Copay PPO	70/50	35	2000	6350	Rx4 10/45/75/25% 100 ded	0.4715
0016	Trad Copay PPO	70/50	40	2000	6350	Rx4 10/35/55/25% 250 ded	0.4650
0017	Trad Copay PPO	60/50	30	2000	6350	Rx4 10/45/75/25% 100 ded	0.4483
0018	Trad Copay PPO	60/50	35	2000	6350	Rx4 10/35/75/25%	0.4455
0019	Trad Copay PPO	60/50	40	2000	6350	Rx4 10/40/70/25% 250 ded	0.4402
0020	Trad Copay PPO	50/50	25	2000	6350	Rx4 10/35/75/25%	0.4059
0021	Trad Copay PPO	50/50	30	2000	6350	Rx4 10/30/50/25% 100 ded	0.3925
0022	Trad Copay PPO	50/50	35	2000	6350	Rx4 10/45/75/25% 100 ded	0.3995
0023	Trad Copay PPO	50/50	40	2000	6350	Rx4 10/40/70/25% 250 ded	0.3938
0024	EHDHP PPO	100/70	0	2000	2000	ded/c	0.8766
0025	EHDHP PPO	90/60	0	5000	6350	ded/c	0.5714
0026	EHDHP PPO	80/50	0	2000	6350	ded/c	0.6548
0027	EHDHP PPO	80/50	0	4000	6350	ded/c	0.5232
0028	EHDHP PPO	80/50	0	5000	6350	ded/c	0.4870
0029	EHDHP PPO	70/50	0	1500	6350	ded/c	0.6335
0030	EHDHP PPO	70/50	0	3500	6350	ded/c	0.5175
0031	HDHP PPO	100/70	0	1750	1750	ded/c	0.8937
0032	HDHP PPO	100/70	0	5500	5000	ded/c	0.5615
0033	HDHP PPO	80/50	0	1500	6350	ded/c	0.6888
0034	HDHP PPO	80/50	0	4000	6350	ded/c	0.5081
0035	EHDHP Walmart/CVS PPO	100/70	0	2000	2000	ded/c	0.8678
0036	EHDHP Walmart/CVS PPO	90/60	0	5000	6350	ded/c	0.5656
0037	EHDHP Walmart/CVS PPO	80/50	0	2000	6350	ded/c	0.6483
0038	EHDHP Walmart/CVS PPO	80/50	0	4000	6350	ded/c	0.5180
0039	EHDHP Walmart/CVS PPO	80/50	0	5000	6350	ded/c	0.4821
0040	EHDHP Walmart/CVS PPO	70/50	0	1500	6350	ded/c	0.6271

<u><b>Plan</b></u>	<u><b>Product Type</b></u>	<u><b>Coins</b></u>	<u><b>PCP Copay</b></u>	<u><b>PCP Ded</b></u>	<u><b>PCP OOP</b></u>	<u><b>Rx</b></u>	<u><b>Factor</b></u>
0041	EHDHP Walmart/CVS PPO	70/50	0	3500	6350	ded/c	0.5123
0042	HDHP Walmart/CVS PPO	100/70	0	1750	1750	ded/c	0.8847
0043	HDHP Walmart/CVS PPO	100/70	0	5500	5000	ded/c	0.5559
0044	HDHP Walmart/CVS PPO	80/50	0	1500	6350	ded/c	0.6819
0045	HDHP Walmart/CVS PPO	80/50	0	4000	6350	ded/c	0.5031
0046	Simplicity PPO	100/70	30	0	6350	SRx4 10/35/55/25%	0.6533
0047	Simplicity PPO	100/70	50	0	6350	SRx4 10/45/90/25%	0.4725
0048	Simplicity PPO	100/70	50	0	6350	SRx4 10/40/70/25%	0.3975
0049	Coins PPO	80/50	0	2000	5000	Rx4 10/45/90/25%	0.5046
0050	Coins PPO	70/50	0	1500	5000	Rx4 10/45/90/25%	0.5001
0051	Coins PPO	70/50	0	5000	6350	Rx4 10/45/90/25% 100 ded	0.3634
74320CQ051							
0001	Indemnity	80/50	0	2000	5000	Rx4 10/45/90/25%	0.8413

**TABLE 6**  
Rx Plan Benefit Factors

<u><b>Rx Plan</b></u>	<u><b>Rx Plan Benefit Factor</b></u>	<u><b>Walmart/CVS Rx Plan Benefit Factor</b></u>
Rx4 10/35/55/25% Simplicity	0.8530	0.7677
Rx4 10/45/90/25% Simplicity	0.7256	0.6530
Rx4 10/40/70/25% Simplicity	0.7908	0.7117
Rx4 10/30/50/25%	0.8906	0.8015
Rx4 10/30/50/25% 100 ded	0.8032	0.7229
Rx4 10/35/50/25% 100 ded	0.7805	0.7024
Rx4 10/35/55/25%	0.8507	0.7656
Rx4 10/35/55/25% 250 ded	0.6783	0.6105
Rx4 10/35/70/25% 250 ded	0.6458	0.5813
Rx4 10/35/75/25%	0.8029	0.7226
Rx4 10/40/70/25% with 3500 OOP	0.8136	0.7322
Rx4 10/40/70/25% 250 ded	0.6270	0.5643
Rx4 10/45/70/25%	0.7713	0.6942
Rx4 10/45/75/25%	0.7571	0.6813
Rx4 10/45/75/25% 100 ded	0.6805	0.6124
Rx4 10/45/90/25%	0.7236	0.6513
Rx4 10/45/90/25% 100 ded	0.6498	0.5848
Rx4 10/45/90/25%	0.7236	0.6513
Rx4 10/45/90/25% 100 ded	0.6498	0.5848

Humana Health Plan - Side by Side Comparison

Exhibit I.

Medical Index Rates for CO Small Group Business

<u>Date</u>	<u>Current Index Rate</u>	<u>Proposed Rate</u>	<u>% Change From Current</u>	<u>% Monthly Change</u>
01/01/2014	NA	325.83	NA	NA
02/01/2014	NA	325.83	NA	0.0%
03/01/2014	NA	325.83	NA	0.0%
04/01/2014	NA	331.39	NA	1.7%
05/01/2014	NA	331.39	NA	0.0%
06/01/2014	NA	331.39	NA	0.0%
07/01/2014	NA	337.05	NA	1.7%
08/01/2014	NA	337.05	NA	0.0%
09/01/2014	NA	337.05	NA	0.0%
10/01/2014	NA	342.80	NA	1.7%
11/01/2014	NA	342.80	NA	0.0%
12/01/2014	NA	342.80	NA	0.0%

Rx Index Rates for CO Small Group Business

<u>Date</u>	<u>Current Index Rate</u>	<u>Proposed Rate</u>	<u>% Change From Current</u>	<u>% Monthly Change</u>
01/01/2014	NA	55.33	NA	NA
02/01/2014	NA	55.33	NA	0.0%
03/01/2014	NA	55.33	NA	0.0%
04/01/2014	NA	56.28	NA	1.7%
05/01/2014	NA	56.28	NA	0.0%
06/01/2014	NA	56.28	NA	0.0%
07/01/2014	NA	57.23	NA	1.7%
08/01/2014	NA	57.23	NA	0.0%
09/01/2014	NA	57.23	NA	0.0%
10/01/2014	NA	58.21	NA	1.7%
11/01/2014	NA	58.21	NA	0.0%
12/01/2014	NA	58.21	NA	0.0%

Medical Plan Benefit Factors

Product Type	Coins	PCP Copay	Par Ded	Par OOP	Current Factor	Revised Factor	% Change
Trad Copay PPO	100/70	25	500	4000	NA	0.8103	NA
Trad Copay PPO	100/70	25	1000	4000	NA	0.7473	NA
Trad Copay PPO	100/70	30	1500	6400	NA	0.6700	NA
Trad Copay PPO	100/70	30	2000	6400	NA	0.6306	NA
Trad Copay PPO	100/70	35	2000	5000	NA	0.6401	NA
Trad Copay PPO	90/60	30	1500	6400	NA	0.6145	NA
Trad Copay PPO	90/60	30	2000	6400	NA	0.5899	NA
Trad Copay PPO	80/50	25	500	4000	NA	0.6386	NA
Trad Copay PPO	80/50	25	1000	4000	NA	0.5938	NA
Trad Copay PPO	80/50	40	1500	5000	NA	0.5326	NA
Trad Copay PPO	80/50	30	2000	6400	NA	0.4969	NA
Trad Copay PPO	80/50	30	2000	6400	NA	0.4969	NA
Trad Copay PPO	80/50	45	2000	5000	NA	0.5065	NA
Trad Copay PPO	70/50	20	1000	4000	NA	0.5633	NA
Trad Copay PPO	70/50	35	2000	6400	NA	0.4715	NA
Trad Copay PPO	70/50	40	2000	6400	NA	0.4650	NA
Trad Copay PPO	60/50	30	2000	6400	NA	0.4483	NA
Trad Copay PPO	60/50	35	2000	6400	NA	0.4455	NA
Trad Copay PPO	60/50	40	2000	6400	NA	0.4402	NA
Trad Copay PPO	50/50	25	2000	6400	NA	0.4059	NA
Trad Copay PPO	50/50	30	2000	6400	NA	0.3925	NA
Trad Copay PPO	50/50	35	2000	6400	NA	0.3995	NA
Trad Copay PPO	50/50	40	2000	6400	NA	0.3938	NA
EHDHP PPO	100/70	0	2000	2000	NA	0.8766	NA
EHDHP PPO	90/60	0	5000	6400	NA	0.5714	NA
EHDHP PPO	80/50	0	2000	6400	NA	0.6548	NA
EHDHP PPO	80/50	0	4000	6400	NA	0.5232	NA
EHDHP PPO	80/50	0	5000	6400	NA	0.4870	NA
EHDHP PPO	70/50	0	1500	6400	NA	0.6335	NA
EHDHP PPO	70/50	0	3500	6400	NA	0.5175	NA
HDHP PPO	100/70	0	1750	1750	NA	0.8937	NA
HDHP PPO	100/70	0	5500	5000	NA	0.5615	NA
HDHP PPO	80/50	0	1500	6400	NA	0.6888	NA

HDHP PPO	80/50	0	4000	6400	NA	0.5081	NA
EHDHP Walmart/CVS PPO	100/70	0	2000	2000	NA	0.8678	NA
EHDHP Walmart/CVS PPO	90/60	0	5000	6400	NA	0.5656	NA
EHDHP Walmart/CVS PPO	80/50	0	2000	6400	NA	0.6483	NA
EHDHP Walmart/CVS PPO	80/50	0	4000	6400	NA	0.5180	NA
EHDHP Walmart/CVS PPO	80/50	0	5000	6400	NA	0.4821	NA
EHDHP Walmart/CVS PPO	70/50	0	1500	6400	NA	0.6271	NA
EHDHP Walmart/CVS PPO	70/50	0	3500	6400	NA	0.5123	NA
HDHP Walmart/CVS PPO	100/70	0	1750	1750	NA	0.8847	NA
HDHP Walmart/CVS PPO	100/70	0	5500	5000	NA	0.5559	NA
HDHP Walmart/CVS PPO	80/50	0	1500	6400	NA	0.6819	NA
HDHP Walmart/CVS PPO	80/50	0	4000	6400	NA	0.5031	NA
Simplicity PPO	100/70	30	0	6400	NA	0.6533	NA
Simplicity PPO	100/70	45	0	6400	NA	0.4725	NA
Simplicity PPO	100/70	50	0	6400	NA	0.3975	NA
Coins PPO	80/50	0	2000	5000	NA	0.5046	NA
Coins PPO	70/50	0	1500	5000	NA	0.5001	NA
Coins PPO	70/50	0	5000	6400	NA	0.3634	NA
Indemnity	80/50	0	2000	5000	NA	0.8413	NA

#### Rx Plan Benefit Factors

Description	Current Factor	Revised Factor	% Change
Rx4 10/35/55/25% Simplicity	NA	0.8530	NA
Rx4 10/45/90/25% Simplicity	NA	0.7256	NA
Rx4 10/40/70/25% Simplicity	NA	0.7908	NA
Rx4 10/30/50/25%	NA	0.8906	NA
Rx4 10/30/50/25% 100 ded	NA	0.8032	NA
Rx4 10/35/50/25% 100 ded	NA	0.7805	NA
Rx4 10/35/55/25%	NA	0.8507	NA
Rx4 10/35/55/25% 250 ded	NA	0.6783	NA
Rx4 10/35/70/25% 250 ded	NA	0.6458	NA
Rx4 10/35/75/25%	NA	0.8029	NA
Rx4 10/40/70/25% w/ 3500 OOP	NA	0.8136	NA
Rx4 10/40/70/25% 250 ded	NA	0.6270	NA
Rx4 10/45/70/25%	NA	0.7713	NA
Rx4 10/45/75/25%	NA	0.7571	NA
Rx4 10/45/75/25% 100 ded	NA	0.6805	NA
Rx4 10/45/90/25%	NA	0.7236	NA
Rx4 10/45/90/25% 100 ded	NA	0.6498	NA
Rx4 10/45/90/25%	NA	0.7236	NA
Rx4 10/45/90/25% 100 ded	NA	0.6498	NA
Rx4 10/35/55/25% Simplicity Walmart/CVS	NA	0.7677	NA
Rx4 10/45/90/25% Simplicity Walmart/CVS	NA	0.6530	NA
Rx4 10/40/70/25% Simplicity Walmart/CVS	NA	0.7117	NA
Rx4 10/30/50/25% Walmart/CVS	NA	0.8015	NA
Rx4 10/30/50/25% 100 ded Walmart/CVS	NA	0.7229	NA
Rx4 10/35/50/25% 100 ded Walmart/CVS	NA	0.7024	NA
Rx4 10/35/55/25% Walmart/CVS	NA	0.7656	NA
Rx4 10/35/55/25% 250 ded Walmart/CVS	NA	0.6105	NA
Rx4 10/35/70/25% 250 ded Walmart/CVS	NA	0.5813	NA
Rx4 10/35/75/25% Walmart/CVS	NA	0.7226	NA
Rx4 10/40/70/25% w/ 3500 OOP Walmart/CVS	NA	0.7322	NA
Rx4 10/40/70/25% 250 ded Walmart/CVS	NA	0.5643	NA
Rx4 10/45/70/25% Walmart/CVS	NA	0.6942	NA
Rx4 10/45/75/25% Walmart/CVS	NA	0.6813	NA
Rx4 10/45/75/25% 100 ded Walmart/CVS	NA	0.6124	NA
Rx4 10/45/90/25% Walmart/CVS	NA	0.6513	NA
Rx4 10/45/90/25% 100 ded Walmart/CVS	NA	0.5848	NA
Rx4 10/45/90/25% Walmart/CVS	NA	0.6513	NA
Rx4 10/45/90/25% 100 ded Walmart/CVS	NA	0.5848	NA

**Medical Area Factors**

	<b><u>Current</u></b>	<b><u>Proposed</u></b>	<b><u>% Change from Current</u></b>
Boulder	NA	1.3976	NA
Colorado Springs	NA	1.2282	NA
Denver	NA	1.2127	NA
Fort Collins	NA	2.2457	NA
Grand Junction	NA	2.2457	NA
Greeley	NA	2.2457	NA
Northeast Non-MSA	NA	2.2457	NA
Pueblo	NA	2.2457	NA
Resort	NA	2.2457	NA
Southeast Non-MSA	NA	2.2457	NA
West Non-MSA	NA	2.2457	NA

**Rx Area Factors**

	<b><u>Current</u></b>	<b><u>Proposed</u></b>	<b><u>% Change from Current</u></b>
Boulder	NA	1.2947	NA
Colorado Springs	NA	1.3571	NA
Denver	NA	1.5079	NA
Fort Collins	NA	2.1128	NA
Grand Junction	NA	2.1128	NA
Greeley	NA	2.1128	NA
Northeast Non-MSA	NA	2.1128	NA
Pueblo	NA	2.1128	NA
Resort	NA	2.1128	NA
Southeast Non-MSA	NA	2.1128	NA
West Non-MSA	NA	2.1128	NA

Plan Name	Metal Tier	Rating Area	Network	Premium
Trad Copay 100/70 \$25 Copay, \$500 Ded, \$4000 OOP	Gold	Boulder	PPO	\$ 553.48
Trad Copay 70/50 \$20 Copay, \$1000 Ded, \$4000 OOP	Gold	Boulder	PPO	\$ 401.68
Trad Copay 100/70 \$30 Copay, \$1500 Ded, \$6350 OOP	Silver	Boulder	PPO	\$ 460.88
Trad Copay 50/50 \$30 Copay, \$2000 Ded, \$6350 OOP	Silver	Boulder	PPO	\$ 295.13
EHDHP 90/60 \$5000 Ded, \$6350 OOP	Bronze	Boulder	PPO	\$ 332.06
COINS NPOS 90/60 \$5000 Ded, \$6350 OOP	Bronze	Boulder	PPO	\$ 265.41
Trad Copay 100/70 \$25 Copay, \$500 Ded, \$4000 OOP	Gold	Colorado Springs	PPO	\$ 511.89
Trad Copay 70/50 \$20 Copay, \$1000 Ded, \$4000 OOP	Gold	Colorado Springs	PPO	\$ 373.57
Trad Copay 100/70 \$30 Copay, \$1500 Ded, \$6350 OOP	Silver	Colorado Springs	PPO	\$ 426.65
Trad Copay 50/50 \$30 Copay, \$2000 Ded, \$6350 OOP	Silver	Colorado Springs	PPO	\$ 276.28
EHDHP 90/60 \$5000 Ded, \$6350 OOP	Bronze	Colorado Springs	PPO	\$ 299.93
COINS NPOS 90/60 \$5000 Ded, \$6350 OOP	Bronze	Colorado Springs	PPO	\$ 247.59
Trad Copay 100/70 \$25 Copay, \$500 Ded, \$4000 OOP	Gold	Denver	PPO	\$ 514.93
Trad Copay 70/50 \$20 Copay, \$1000 Ded, \$4000 OOP	Gold	Denver	PPO	\$ 377.66
Trad Copay 100/70 \$30 Copay, \$1500 Ded, \$6350 OOP	Silver	Denver	PPO	\$ 429.54
Trad Copay 50/50 \$30 Copay, \$2000 Ded, \$6350 OOP	Silver	Denver	PPO	\$ 280.91
EHDHP 90/60 \$5000 Ded, \$6350 OOP	Bronze	Denver	PPO	\$ 295.29
COINS NPOS 90/60 \$5000 Ded, \$6350 OOP	Bronze	Denver	PPO	\$ 250.95
Trad Copay 100/70 \$25 Copay, \$500 Ded, \$4000 OOP	Gold	Rest	PPO	\$ 922.02
Trad Copay 70/50 \$20 Copay, \$1000 Ded, \$4000 OOP	Gold	Rest	PPO	\$ 669.16
Trad Copay 100/70 \$30 Copay, \$1500 Ded, \$6350 OOP	Silver	Rest	PPO	\$ 767.77
Trad Copay 50/50 \$30 Copay, \$2000 Ded, \$6350 OOP	Silver	Rest	PPO	\$ 491.68
EHDHP 90/60 \$5000 Ded, \$6350 OOP	Bronze	Rest	PPO	\$ 553.08
COINS NPOS 90/60 \$5000 Ded, \$6350 OOP	Bronze	Rest	PPO	\$ 442.17

# **HIC Small Business Non-Grandfathered Rate Manual**

**HUMANA INSURANCE COMPANY**  
**This is the rate filing for Humana's Small Business Products.**

**Development of Composite Rates**

The composite rates are calculated as follows:

- 1.) Sum of Individual Rates for all Employees and Dependents
- 2.) Sum of Employees with Single Coverage x Single Composite Coverage Type Factor (1.0).
- 3.) Sum of Employees with EE+CH Coverage x EE+CH Composite Coverage Type Factor (1.9).
- 4.) Sum of Employees with EE+SP Coverage x EE+SP Composite Coverage Type Factor (2.2).
- 5.) Sum of Employees with Family Coverage x Family Composite Coverage Type Factor (3.0).
- 6.) (2) + (3) + (4) + (5)
- 7.) (6) / (1) = Single Composite Rate.
- 8.) (7) x EE+CH Composite Coverage Type Factor = EE+CH Composite Rate.
- 9.) (8) x EE+SP Composite Coverage Type Factor = EE+SP Composite Rate.
- 10.) (9) x Family Composite Coverage Type Factor = Family Composite Rate.

**2-9 Size Groups**

For 2-9 life cases, rates will be developed for every employee and these rates will be listed on the premium statement.

**Composite Rate - Premium Rate Development**

The total combined premium PMPMs (per-member-per-month) are converted to composite premium rates based on the coverage type factors shown included in steps 2 through 5 above.

**Medical Rating Formula**

The medical rates for coverage types are calculated as follows:

- 1.) Index Rate
- 2.) x Area Factor
- 3.) x Age Factor
- 4.) x Medical Plan Benefit Factor
- 5.) x Optional Riders

**Drug Rating Formula**

- 1.) Index Rate
- 2.) x Area Factor
- 3.) x Age Factor
- 4.) x Rx Plan Benefit Factor



**TABLE 1**  
Index Rates

<b><u>Date</u></b>	<b><u>Medical</u></b>	<b><u>RX</u></b>
01/01/2014	\$ 325.83	\$ 55.33
02/01/2014	\$ 325.83	\$ 55.33
03/01/2014	\$ 325.83	\$ 55.33
04/01/2014	\$ 331.39	\$ 56.28
05/01/2014	\$ 331.39	\$ 56.28
06/01/2014	\$ 331.39	\$ 56.28
07/01/2014	\$ 337.05	\$ 57.23
08/01/2014	\$ 337.05	\$ 57.23
09/01/2014	\$ 337.05	\$ 57.23
10/01/2014	\$ 342.80	\$ 58.21
11/01/2014	\$ 342.80	\$ 58.21
12/01/2014	\$ 342.80	\$ 58.21

**TABLE 2**  
Area Factors

<b><u>Rating Area</u></b>	<b><u>Medical</u></b>	<b><u>Rx</u></b>
Boulder	1.3976	1.2947
Colorado Springs	1.2282	1.3571
Denver	1.2127	1.5079
Fort Collins	2.2457	2.1128
Grand Junction	2.2457	2.1128
Greeley	2.2457	2.1128
Northeast Non-MSA	2.2457	2.1128
Pueblo	2.2457	2.1128
Resort	2.2457	2.1128
Southeast Non-MSA	2.2457	2.1128
West Non-MSA	2.2457	2.1128

**TABLE 3**  
Age Factors

<i><b>Age</b></i>	<i><b>Factor</b></i>	<i><b>Age</b></i>	<i><b>Factor</b></i>
0-20	0.635	43	1.357
21	1.000	44	1.397
22	1.000	45	1.444
23	1.000	46	1.500
24	1.000	47	1.563
25	1.004	48	1.635
26	1.024	49	1.706
27	1.048	50	1.786
28	1.087	51	1.865
29	1.119	52	1.952
30	1.135	53	2.040
31	1.159	54	2.135
32	1.183	55	2.230
33	1.198	56	2.333
34	1.214	57	2.437
35	1.222	58	2.548
36	1.230	59	2.603
37	1.238	60	2.714
38	1.246	61	2.810
39	1.262	62	2.873
40	1.278	63	2.952
41	1.302	64+	3.000
42	1.325		

**Table 4**  
Medical Plan Factors

<u>Plan</u>	<u>Product Type</u>	<u>Coins</u>	<u>PCP Copay</u>	<u>PCP Ded</u>	<u>PCP OOP</u>	<u>Rx</u>	<u>Factor</u>
75909CO050	-	-	-	-	-	-	-
0001	Trad Copay PPO	100/70	25	500	4000	Rx4 10/30/50/25%	0.8103
0002	Trad Copay PPO	100/70	25	1000	4000	Rx4 10/30/50/25%	0.7473
0003	Trad Copay PPO	100/70	30	1500	6350	Rx4 10/45/70/25%	0.6700
0004	Trad Copay PPO	100/70	30	2000	6350	Rx4 10/35/55/25%	0.6306
0005	Trad Copay PPO	100/70	35	2000	5000	Rx4 10/45/90/25% 100 ded	0.6401
0006	Trad Copay PPO	90/60	30	1500	6350	Rx4 10/45/90/25% 100 ded	0.6145
0007	Trad Copay PPO	90/60	30	2000	6350	Rx4 10/45/90/25%	0.5899
0008	Trad Copay PPO	80/50	25	500	4000	Rx4 10/30/50/25%	0.6386
0009	Trad Copay PPO	80/50	25	1000	4000	Rx4 10/30/50/25%	0.5938
0010	Trad Copay PPO	80/50	40	1500	5000	Rx4 10/45/75/25% 100 ded	0.5326
0011	Trad Copay PPO	80/50	30	2000	6350	Rx4 10/45/75/25%	0.4969
0012	Trad Copay PPO	80/50	30	2000	6350	Rx4 10/35/70/25% 250 ded	0.4969
0013	Trad Copay PPO	80/50	45	2000	5000	Rx4 10/35/50/25% 100 ded	0.5065
0014	Trad Copay PPO	70/50	20	1000	4000	Rx4 10/30/50/25%	0.5633
0015	Trad Copay PPO	70/50	35	2000	6350	Rx4 10/45/75/25% 100 ded	0.4715
0016	Trad Copay PPO	70/50	40	2000	6350	Rx4 10/35/55/25% 250 ded	0.4650
0017	Trad Copay PPO	60/50	30	2000	6350	Rx4 10/45/75/25% 100 ded	0.4483
0018	Trad Copay PPO	60/50	35	2000	6350	Rx4 10/35/75/25%	0.4455
0019	Trad Copay PPO	60/50	40	2000	6350	Rx4 10/40/70/25% 250 ded	0.4402
0020	Trad Copay PPO	50/50	25	2000	6350	Rx4 10/35/75/25%	0.4059
0021	Trad Copay PPO	50/50	30	2000	6350	Rx4 10/30/50/25% 100 ded	0.3925
0022	Trad Copay PPO	50/50	35	2000	6350	Rx4 10/45/75/25% 100 ded	0.3995
0023	Trad Copay PPO	50/50	40	2000	6350	Rx4 10/40/70/25% 250 ded	0.3938
0024	EHDHP PPO	100/70	0	2000	2000	ded/c	0.8766
0025	EHDHP PPO	90/60	0	5000	6350	ded/c	0.5714
0026	EHDHP PPO	80/50	0	2000	6350	ded/c	0.6548
0027	EHDHP PPO	80/50	0	4000	6350	ded/c	0.5232
0028	EHDHP PPO	80/50	0	5000	6350	ded/c	0.4870
0029	EHDHP PPO	70/50	0	1500	6350	ded/c	0.6335
0030	EHDHP PPO	70/50	0	3500	6350	ded/c	0.5175
0031	HDHP PPO	100/70	0	1750	1750	ded/c	0.8937
0032	HDHP PPO	100/70	0	5500	5000	ded/c	0.5615
0033	HDHP PPO	80/50	0	1500	6350	ded/c	0.6888
0034	HDHP PPO	80/50	0	4000	6350	ded/c	0.5081
0035	EHDHP Walmart/CVS PPO	100/70	0	2000	2000	ded/c	0.8678
0036	EHDHP Walmart/CVS PPO	90/60	0	5000	6350	ded/c	0.5656
0037	EHDHP Walmart/CVS PPO	80/50	0	2000	6350	ded/c	0.6483
0038	EHDHP Walmart/CVS PPO	80/50	0	4000	6350	ded/c	0.5180
0039	EHDHP Walmart/CVS PPO	80/50	0	5000	6350	ded/c	0.4821
0040	EHDHP Walmart/CVS PPO	70/50	0	1500	6350	ded/c	0.6271

<u>Plan</u>	<u>Product Type</u>	<u>Coins</u>	<u>PCP Copay</u>	<u>PCP Ded</u>	<u>PCP OOP</u>	<u>Rx</u>	<u>Factor</u>
0041	EHDHP Walmart/CVS PPO	70/50	0	3500	6350	ded/c	0.5123
0042	HDHP Walmart/CVS PPO	100/70	0	1750	1750	ded/c	0.8847
0043	HDHP Walmart/CVS PPO	100/70	0	5500	5000	ded/c	0.5559
0044	HDHP Walmart/CVS PPO	80/50	0	1500	6350	ded/c	0.6819
0045	HDHP Walmart/CVS PPO	80/50	0	4000	6350	ded/c	0.5031
0046	Simplicity PPO	100/70	30	0	6350	SRx4 10/35/55/25%	0.6533
0047	Simplicity PPO	100/70	45	0	6350	SRx4 10/45/90/25%	0.4725
0048	Simplicity PPO	100/70	50	0	6350	SRx4 10/40/70/25%	0.3975
0049	Coins PPO	80/50	0	2000	5000	Rx4 10/45/90/25%	0.5046
0050	Coins PPO	70/50	0	1500	5000	Rx4 10/45/90/25%	0.5001
0051	Coins PPO	70/50	0	5000	6350	Rx4 10/45/90/25% 100 ded	0.3634
74320CQ051							
0001	Indemnity	80/50	0	2000	5000	Rx4 10/45/90/25%	0.8413

**TABLE 6**  
Rx Plan Benefit Factors

<u>Rx Plan</u>	<u>Rx Plan Benefit Factor</u>	<u>Walmart/CVS Rx Plan Benefit Factor</u>
Rx4 10/35/55/25% Simplicity	0.8530	0.7677
Rx4 10/45/90/25% Simplicity	0.7256	0.6530
Rx4 10/40/70/25% Simplicity	0.7908	0.7117
Rx4 10/30/50/25%	0.8906	0.8015
Rx4 10/30/50/25% 100 ded	0.8032	0.7229
Rx4 10/35/50/25% 100 ded	0.7805	0.7024
Rx4 10/35/55/25%	0.8507	0.7656
Rx4 10/35/55/25% 250 ded	0.6783	0.6105
Rx4 10/35/70/25% 250 ded	0.6458	0.5813
Rx4 10/35/75/25%	0.8029	0.7226
Rx4 10/40/70/25% with 3500 OOP	0.8136	0.7322
Rx4 10/40/70/25% 250 ded	0.6270	0.5643
Rx4 10/45/70/25%	0.7713	0.6942
Rx4 10/45/75/25%	0.7571	0.6813
Rx4 10/45/75/25% 100 ded	0.6805	0.6124
Rx4 10/45/90/25%	0.7236	0.6513
Rx4 10/45/90/25% 100 ded	0.6498	0.5848
Rx4 10/45/90/25%	0.7236	0.6513
Rx4 10/45/90/25% 100 ded	0.6498	0.5848

# **HIC Small Business Non-Grandfathered Rate Manual**

**HUMANA INSURANCE COMPANY**  
**This is the rate filing for Humana's Small Business Products.**

**Medical Rating Formula**

The medical rates for coverage types are calculated as follows:

- 1.) Index Rate
- 2.) x Area Factor
- 3.) x Age Factor
- 4.) x Medical Plan Benefit Factor

**Drug Rating Formula**

- 1.) Index Rate
- 2.) x Area Factor
- 3.) x Age Factor
- 4.) x Rx Plan Benefit Factor

**TABLE 1**  
Index Rates

<i><b>Date</b></i>	<i><b>Medical</b></i>	<i><b>RX</b></i>
01/01/2014	\$ 297.93	\$ 52.77
02/01/2014	\$ 297.93	\$ 52.77
03/01/2014	\$ 297.93	\$ 52.77
04/01/2014	\$ 303.01	\$ 53.67
05/01/2014	\$ 303.01	\$ 53.67
06/01/2014	\$ 303.01	\$ 53.67
07/01/2014	\$ 308.18	\$ 54.58
08/01/2014	\$ 308.18	\$ 54.58
09/01/2014	\$ 308.18	\$ 54.58
10/01/2014	\$ 313.44	\$ 55.51
11/01/2014	\$ 313.44	\$ 55.51
12/01/2014	\$ 313.44	\$ 55.51

**TABLE 2**  
Area Factors

<i><b>Rating Area</b></i>	<i><b>Medical</b></i>	<i><b>Rx</b></i>
Boulder	1.4359	1.2947
Colorado Springs	1.3373	1.3571
Denver	1.3073	1.5079
Fort Collins	2.2457	2.1128
Grand Junction	2.2457	2.1128
Greeley	2.2457	2.1128
Northeast Non-MSA	2.2457	2.1128
Pueblo	2.2457	2.1128
Resort	2.2457	2.1128
Southeast Non-MSA	2.2457	2.1128
West Non-MSA	2.2457	2.1128

**TABLE 3**  
Age Factors

<i><u>Age</u></i>	<i><u>Factor</u></i>	<i><u>Age</u></i>	<i><u>Factor</u></i>
0-20	0.635	43	1.357
21	1.000	44	1.397
22	1.000	45	1.444
23	1.000	46	1.500
24	1.000	47	1.563
25	1.004	48	1.635
26	1.024	49	1.706
27	1.048	50	1.786
28	1.087	51	1.865
29	1.119	52	1.952
30	1.135	53	2.040
31	1.159	54	2.135
32	1.183	55	2.230
33	1.198	56	2.333
34	1.214	57	2.437
35	1.222	58	2.548
36	1.230	59	2.603
37	1.238	60	2.714
38	1.246	61	2.810
39	1.262	62	2.873
40	1.278	63	2.952
41	1.302	64+	3.000
42	1.325		

**Table 4**  
Medical Plan Factors

<u>Plan ID</u>	<u>Metal Tier</u>	<u>Plan Name</u>	<u>Coins</u>	<u>PCP Copay</u>	<u>PCP Ded</u>	<u>PCP OOP</u>	<u>Rx</u>	<u>Factor</u>
74320CO050								
0001	Gold	Trad Copay PPO	100/70	25	500	4000	Rx4 10/30/50/25%	0.8103
0002	Gold	Trad Copay PPO	100/70	25	1000	4000	Rx4 10/30/50/25%	0.7473
0003	Silver	Trad Copay PPO	100/70	30	1500	6350	Rx4 10/45/70/25%	0.6700
0004	Silver	Trad Copay PPO	100/70	30	2000	6350	Rx4 10/35/55/25%	0.6306
0005	Silver	Trad Copay PPO	100/70	35	2000	5000	Rx4 10/45/90/25% 100 ded	0.6401
0006	Silver	Trad Copay PPO	90/60	30	1500	6350	Rx4 10/45/90/25% 100 ded	0.6145
0007	Silver	Trad Copay PPO	90/60	30	2000	6350	Rx4 10/45/90/25%	0.5899
0008	Gold	Trad Copay PPO	80/50	25	500	4000	Rx4 10/30/50/25%	0.6386
0009	Gold	Trad Copay PPO	80/50	25	1000	4000	Rx4 10/30/50/25%	0.5938
0010	Silver	Trad Copay PPO	80/50	40	1500	5000	Rx4 10/45/75/25% 100 ded	0.5326
0011	Silver	Trad Copay PPO	80/50	30	2000	6350	Rx4 10/45/75/25%	0.4969
0012	Silver	Trad Copay PPO	80/50	30	2000	6350	Rx4 10/35/70/25% 250 ded	0.4969
0013	Silver	Trad Copay PPO	80/50	45	2000	5000	Rx4 10/35/50/25% 100 ded	0.5065
0014	Gold	Trad Copay PPO	70/50	20	1000	4000	Rx4 10/30/50/25%	0.5633
0015	Silver	Trad Copay PPO	70/50	35	2000	6350	Rx4 10/45/75/25% 100 ded	0.4715
0016	Silver	Trad Copay PPO	70/50	40	2000	6350	Rx4 10/35/55/25% 250 ded	0.4650
0017	Silver	Trad Copay PPO	60/50	30	2000	6350	Rx4 10/45/75/25% 100 ded	0.4483
0018	Silver	Trad Copay PPO	60/50	35	2000	6350	Rx4 10/35/75/25%	0.4455
0019	Silver	Trad Copay PPO	60/50	40	2000	6350	Rx4 10/40/70/25% 250 ded	0.4402
0020	Silver	Trad Copay PPO	50/50	25	2000	6350	Rx4 10/35/75/25%	0.4059
0021	Silver	Trad Copay PPO	50/50	30	2000	6350	Rx4 10/30/50/25% 100 ded	0.3925
0022	Silver	Trad Copay PPO	50/50	35	2000	6350	Rx4 10/45/75/25% 100 ded	0.3995
0023	Silver	Trad Copay PPO	50/50	40	2000	6350	Rx4 10/40/70/25% 250 ded	0.3938
0024	Gold	EHDHP PPO	100/70	0	2000	2000	ded/c	0.8766
0025	Bronze	EHDHP PPO	90/60	0	5000	6350	ded/c	0.5714
0026	Silver	EHDHP PPO	80/50	0	2000	6350	ded/c	0.6548
0027	Bronze	EHDHP PPO	80/50	0	4000	6350	ded/c	0.5232
0028	Bronze	EHDHP PPO	80/50	0	5000	6350	ded/c	0.4870
0029	Silver	EHDHP PPO	70/50	0	1500	6350	ded/c	0.6335
0030	Bronze	EHDHP PPO	70/50	0	3500	6350	ded/c	0.5175
0031	Gold	HDHP PPO	100/70	0	1750	1750	ded/c	0.8937
0032	Bronze	HDHP PPO	100/70	0	5500	5000	ded/c	0.5615
0033	Silver	HDHP PPO	80/50	0	1500	6350	ded/c	0.6888
0034	Bronze	HDHP PPO	80/50	0	4000	6350	ded/c	0.5081
0035	Gold	EHDHP Walmart/CVS PPO	100/70	0	2000	2000	ded/c	0.8678
0036	Bronze	EHDHP Walmart/CVS PPO	90/60	0	5000	6350	ded/c	0.5656
0037	Silver	EHDHP Walmart/CVS PPO	80/50	0	2000	6350	ded/c	0.6483
0038	Bronze	EHDHP Walmart/CVS PPO	80/50	0	4000	6350	ded/c	0.5180
0039	Bronze	EHDHP Walmart/CVS PPO	80/50	0	5000	6350	ded/c	0.4821
0040	Silver	EHDHP Walmart/CVS PPO	70/50	0	1500	6350	ded/c	0.6271



<u>Plan ID</u>	<u>Metal Tier</u>	<u>Plan Name</u>	<u>Coins</u>	<u>PCP Copay</u>	<u>PCP Ded</u>	<u>PCP OOP</u>	<u>Rx</u>	<u>Factor</u>
0041	Bronze	EHDHP Walmart/CVS PPO	70/50	0	3500	6350	ded/c	0.5123
0042	Gold	HDHP Walmart/CVS PPO	100/70	0	1750	1750	ded/c	0.8847
0043	Bronze	HDHP Walmart/CVS PPO	100/70	0	5500	5000	ded/c	0.5559
0044	Silver	HDHP Walmart/CVS PPO	80/50	0	1500	6350	ded/c	0.6819
0045	Bronze	HDHP Walmart/CVS PPO	80/50	0	4000	6350	ded/c	0.5031
0046	Gold	Simplicity PPO	100/70	30	0	6350	SRx4 10/35/55/25%	0.6533
0047	Silver	Simplicity PPO	100/70	45	0	6350	SRx4 10/45/90/25%	0.4725
0048	Silver	Simplicity PPO	100/70	50	0	6350	SRx4 10/40/70/25%	0.3975
0049	Silver	Coins PPO	80/50	0	2000	5000	Rx4 10/45/90/25%	0.5046
0050	Silver	Coins PPO	70/50	0	1500	5000	Rx4 10/45/90/25%	0.5001
0051	Bronze	Coins PPO	70/50	0	5000	6350	Rx4 10/45/90/25% 100 ded	0.3634
74320CO051								
0001	Silver	Indemnity	80/50	0	2000	5000	Rx4 10/45/90/25%	0.8413

**TABLE 5**  
Rx Plan Benefit Factors

<u>Rx Plan</u>	<u>Rx Plan Benefit Factor</u>	<u>Walmart/CVS Rx Plan Benefit Factor</u>
Rx4 10/35/55/25% Simplicity	0.8530	0.7677
Rx4 10/45/90/25% Simplicity	0.7256	0.6530
Rx4 10/40/70/25% Simplicity	0.7908	0.7117
Rx4 10/30/50/25%	0.8906	0.8015
Rx4 10/30/50/25% 100 ded	0.8032	0.7229
Rx4 10/35/50/25% 100 ded	0.7805	0.7024
Rx4 10/35/55/25%	0.8507	0.7656
Rx4 10/35/55/25% 250 ded	0.6783	0.6105
Rx4 10/35/70/25% 250 ded	0.6458	0.5813
Rx4 10/35/75/25%	0.8029	0.7226
Rx4 10/40/70/25% with 3500 OOP	0.8136	0.7322
Rx4 10/40/70/25% 250 ded	0.6270	0.5643
Rx4 10/45/70/25%	0.7713	0.6942
Rx4 10/45/75/25%	0.7571	0.6813
Rx4 10/45/75/25% 100 ded	0.6805	0.6124
Rx4 10/45/90/25%	0.7236	0.6513
Rx4 10/45/90/25% 100 ded	0.6498	0.5848
Rx4 10/45/90/25%	0.7236	0.6513
Rx4 10/45/90/25% 100 ded	0.6498	0.5848



**General Information**

This filing is for the 1-50 small group market, with an effective date of 01/01/2014.

Company Identifying Information:

Company Legal Name: **Humana Insurance Company**  
 State: **CO**  
 HIOS Issuer ID: **79509**  
 Market: **Small Group**  
 Effective Date: **01/01/2014**

Company Contact Information:

Primary Contact Name: **Jason Hill**  
 Primary Contact Telephone Number: **920-337-5488**  
 Primary Contact Email Address: **jhill11@humana.com**

**Purpose:**

The purpose of this actuarial memorandum is to provide supporting justification to the Unified Rate Review template with the goal of demonstrating compliance with the market rating rules, as well as reasonableness of any proposed rates.

In addition, this actuarial memorandum provides required actuarial certifications related to:

- the methodology used to calculate the AV Metal Value for each plan
- the appropriateness of the essential health benefit portion of premium upon which advanced payment of premium tax credits (APTCs) are based
- the index rate is developed in accordance with federal regulations and the index rate along with allowable modifiers are used in the development of plan specific premium

This filing should be used for no other purposes.

This memorandum was prepared by a qualified actuary, and is intended to be reviewed by a qualified actuary.

**Proposed Rate Increase(s)**Reason for Rate Increase(s):

For 1/1/2014, the company is issuing all new products that comply with the requirements of the Affordable Care Act and is terminating all non-grandfathered products issued before 1/1/2014. In accordance with HHS regulations, the proposed rate increase for all new plans is zero percent.

**Experienced Period Premium and Claims**

Paid Through Date: The date through which payments have been made on Claims incurred during the experience period is:

**03/31/2013**

Premiums (net of MLR Rebate) in Experience Period:

Premiums net of MLR rebate:	\$	<b>1,979,801</b>
MLR Rebates:	\$	-
Estimated Rebates to be included:	\$	-

The basis for the Humana Small Business rebate forecast is forecasted membership, premium, claims, and expenses at the state and legal entity level. These forecasted metrics are run through a simulated rebate model, where the various components of rebate legislation are applied. The most impactful adjustments include the credibility adjustment (based on forecasted member months) and the adjustment to remove taxes and licensing fees from premium. These items are combined to estimate the Rebate Calculation Ratio (RCR), which is then compared against the 80% threshold for the Small Business segment to calculate final expected rebates.

Allowed and Incurred Claims Incurred During the Experience Period

	Allowed Claims	Incurred Claims
Claims that were processed through the issuer's claim system	\$ <b>2,018,483</b>	\$ <b>1,591,113</b>
Claims that were processed outside the issuer's claim system	\$ -	\$ -
Claims incurred but not paid as of paid through date	\$ <b>65,428</b>	\$ <b>51,575</b>

Allowed claims come directly from the an issuer's claims system after eligibility and network discounts are applied, allowed medical claims, allowed Rx claims, and member capitation payments are combined to populate the experience period data above. Member cost sharing is removed from the allowed claims to report the incurred claims entered above.

To estimate incurred claims, all commercial claims experience is segregated by legal entity, processing platform, product, geography and claim category so that appropriate balance of homogeneity and credible size is maintained. The segmentation logic is reviewed at least annually or when significant changes in the block occur (e.g. acquisitions). The paid-to-incurred claim triangles for each block are used to develop completion factors that are applied to each incurred month to estimate ultimate incurred amounts. Estimated ultimate incurred claims for the most recent twelve months are then adjusted for pending claims if there is a material variance from historical levels. Finally, the completion factors and estimated ultimate incurred claims are reviewed and may be changed to account for known anomalies in the data that may have distorted the calculation. The difference between the estimated ultimate incurred claims and the current paid-to-date amounts is the estimate of the incurred but not paid claims for each incurred month. In the calculation process, completion factors, per typical actuarial practice, are not permitted to be greater than 1.00. That is, no coverage month is permitted to have an incurred claim estimate less than the amount of claims paid to date even though historical experience may indicate that this is likely due to future claim recoveries.

For each month of incurred, the incurred but not reported amount equals the incurred claims estimate minus claims paid to date. Follow-up studies, including monthly historical reserve restatement analyses, are regularly performed to test the accuracy of the reserving methodology and suggest possible improvements.

Allowed but not reported estimates are developed utilizing the combination of the incurred but not reported estimate and the incurred to allowed ratio of historical claims.

**Benefit Categories**

The Benefit Categories are defined as follows:

**Inpatient Hospital:** Includes non-capitated services for medical, surgical, maternity, mental health and substance abuse, skilled nursing, and other services provided in an inpatient facility setting and billed by the facility.

**Outpatient Hospital:** Includes non-capitated services for surgery, emergency room, lab, radiology, therapy, observation and other services provided in an outpatient facility setting and billed by the facility. The Outpatient Hospital benefit category uses a combination of both visits and services to determine the utilization per 1,000. For items such as Outpatient Surgery and Emergency Room, where multiple services are rendered and can be billed together, visits are used for the measurement units. For single items that can be billed separately, such as Outpatient Therapy or MRI, services are used for the measurement units.

**Professional:** Includes non-capitated primary care, specialist, therapy, laboratory, radiology, and other professional services not billed by the facility. The Professional benefit category uses a combination of both visits and services to determine the utilization per 1,000. For items such as Primary Care or Specialist Office visits, where multiple services are rendered and can be billed together, visits are used for the measurement units. For single items that can be billed separately, such as Therapy or MRI, services are used for the measurement units.

**Other Medical:** Includes non-capitated ambulance, home health care, DME, prosthetics, supplies, vision exams, dental services and other services. The Other Medical benefit category uses a combination of both visits and services to determine the utilization per 1,000. For items such as Home Health visits, where multiple services are rendered and can be billed together, visits are used for the measurement units. For single items that can be billed separately, such as DME, services are used for the measurement units.

**Capitation:** Includes all services provided under one or more capitated arrangements.

**Prescription Drug:** Includes drugs dispensed by a pharmacy. This amount should be net of rebates received from drug manufacturers.

#### **Projection Factors**

0.0%	<p><b><u>Changes in the Morbidity of the Population Insured:</u></b></p> <p>This adjustment is intended to capture the change in underlying morbidity for the risk pool in 2014 compared to the current risk pool. In the small group market, the company is projecting little to no impact due to this projected factor in 2014. This industry morbidity assumption is based on a number of third-party industry wide studies and a nationwide internal analysis.</p>
1.8%	<p><b><u>Changes in Benefits:</u></b></p> <p>All new plans must cover the essential health benefits package in 2014. The specifics of the essential health benefits are contained within the benchmark plan selected in each state. There are number benefits that are considered to require rate increases in the small group market: women's preventive health, behavioral services and other state-specific services outlined in the benchmark plan and currently not reflected in the experience period data. Seven months of the experience period does not include the expected cost from the Women's Preventive Legislation and has been allocated as a percent of premium. The rate increase associated with this benefit change is .7%.</p> <p>Federal Mental Health Parity requirements is currently not in the experience period, the rate increase associated with this benefit change is .3%.</p> <p>For this state and legal entity, this list of other state specific services outlined in the benchmark plan include: Pediatric Dental and Vision, Cochlear implants, Prosthetics, and Tobacco Cessation. The rate increase associated with these benefits changes is .7712%.</p>
0.0%	<p><b><u>Changes in Demographics:</u></b></p> <p>The company is assuming the same average mix of population by age, gender, and region in the projected period as in the underlying base period experience.</p>
-3.0%	<p><b><u>Other adjustments:</u></b></p> <p>This adjustment is intended to capture the change in the company's existing risk as it converges to the market average risk due to lack of underwriting. This percentage was estimated based on a study performed by Wakely Consulting which developed the risk of each carrier's book of business relative to the small group market in the state.</p>
13.8%	<p><b><u>Trend Factors (cost/utilization):</u></b></p> <p>The cost trend captures pure unit cost changes from midpoint 2012 to midpoint 2014, calculated using the same basket of services each period, due to price/contract negotiations and provider distribution changes.</p> <p>Inpatient Hospital, Outpatient Hospital, Professional, Capitation and Other Medical cost trends are developed based on historical area specific cost trends from Humana's Small Commercial block of business data. Future cost trends are developed based on expected changes in Humana's Commercial contracts. Pharmacy cost trends are developed based on historical brand, generic, and specialty drug trends from Humana's Commercial data. Future cost trends are developed based on expected changes in these pharmacy contracts. These contractual impacts will be applicable to all members regardless of risk class.</p> <p>Utilization trend: Using Humana's Trend Quantification and Projection model, a baseline utilization trend is developed using Humana's Small Commercial block of business historical medical claims data from 2008 - 2012. The historical baseline utilization trend is developed by removing all known impacts to utilization net trend such as demographics, geography, duration, customer changes, benefit changes, new health technologies, utilization management initiatives, and changes in pertinent days. An economic regression model, based on consumer sentiment, personal disposable income, hospital construction, and high-tech medical equipment spend, is then fit to this historical baseline utilization data to project the future block of business baseline utilization trend for 2013 and 2014.</p> <p>A midpoint to midpoint methodology is applied to determine the applicable baseline utilization trend, which incorporates 2012q3 and 2012q4 actual results at the state and legal entity level with the block of business baseline utilization trend for 2013 and 2014. This results in baseline utilization trends that vary at the state and legal entity level.</p> <p>Other components are added to the baseline utilization trend to develop the total utilization trend provided. These include the following:</p> <ul style="list-style-type: none"> <li>• Pertinent days – Captures changes in the calendar, recognizing that health care utilization varies by day of the week and reporting periods contain varying weekday mix and count. This impact is developed through the use of an external consultant's model which is uploaded with Humana's Commercial claims data.</li> <li>• New Health Technologies – Captures the impact of new health technologies and procedures. An external consulting firm researches new technologies and develops per member per month impacts. These impacts are customized to Humana's Commercial business based on membership and coverage policy.</li> <li>• Management Initiatives – Captures savings for Humana initiatives designed to bend trend by managing utilization, such as case management, disease management, and nurse programs. These initiatives are evaluated by an internal actuarial organization tasked with evaluating the effectiveness of the initiatives. Evaluations are done through a collaborative effort involving clinical and other operational areas. Projected savings are calculated by determining prospective changes to impacted metric values, which are determined by analyzing historical metric values as well as through discussions with clinical and operational areas. Savings are reviewed with leadership to ensure appropriateness of assumptions.</li> </ul> <p>This describes the development of the core utilization trend. All impacts from healthcare reform have been removed and are included in the "Population Risk/Morbidity" and "Other" adjustments from Worksheet 1 to prevent double counting of any impacts.</p>

## **Credibility Manual Rate Development**

### **Source and Appropriateness of Experience Data Used:**

For markets that are fully credible, the source data used to develop the manual rate is the 12-month experience period for the market for which rates are being submitted. For markets that are not fully credible and the issuer has another legal entity within the state that is fully credible, the source data used to develop the manual rates is a blend of 12-month experience period of another fully credible legal entity from the same state and the 12-month experience period for which rates are being submitted. For markets that are not fully credible and the issuer does not have another legal entity from the same state that is fully credible, the source data used to develop the manual rates is a blend of the 12-month experience period from similar products nationwide and the 12-month experience period for which rates are being submitted.

Since this market is not considered fully credible and a legal entity from the same state is fully credible, the source data used to develop the manual rates for this submission is a blend of the 12-month experience period of the market data and the Humana Health Plan legal entity.

### **Adjustments Made to the Data:**

No adjustments made to the data, this source data is fully credible.

### **Inclusion of Capitation Payments:**

No adjusted there made to the data, capitation payments are already included within the source data.

## **Credibility of Experience**

### **Description of the Credibility Methodology Used:**

A value of 24,000 member-months of experience is assumed to be fully credible, this value was derived based on analyzing historical experience. Our credibility weight methodology utilizes the following equation:  $\sqrt{\text{member months in experience period}/24000}$ .

### **Resulting Credibility Level Assigned to Base Period Experience when applying the proposed credibility methodology:**

0.07

## **Paid to Allowed Ratio**

The anticipated paid to allowed average factor over the projection period was developed by separately considering the anticipated paid to allowed factors by each plan tier.

Once calculated, projected member month weights for each plan tier (consistent with those provided in Worksheet 2) were applied to these paid to allowed factors to produce an overall anticipated paid to allowed average factor of 74.5%.

The plan tier paid to allowed factors were developed based on an internal pricing model with underlying utilization and costs reflective of a standard population equal to that of the anticipated membership in the overall 2014 risk pool. These values were developed in accordance with generally accepted actuarial principles and methodologies.

## **Risk Adjustment and Reinsurance**

### **Projected Risk Adjustments PMPM:**

The adjustment factor to account for Humana's expected transfer amount due to the risk adjustment process was derived from our participation in a study by Wakely Consulting, an actuarial consulting firm. Wakely generated an analysis of carrier risk scores in several states based on the carrier's small group experience. Wakely generated the analysis in states where at least 80% of the insured membership in a state's small group market was included through carrier participation in the study. For the carriers that participated in the study, Wakely received a summary of their membership and de-identified claim experience so that Wakely could generate HCC risk scores for all of the carriers small group membership based on the risk adjuster scoring methodology outlined by HHS. Each carrier was supplied a summary exhibit that showed the average risk score, expected risk score, average actuarial value, average rate factor, and induced demand factor for their small group block of business. Wakely generated the expected transfer amount for each carrier based on this study. Humana then applied an expected transfer amount based on the difference in our average premium per member to the state average small group premium per member taken from the 2011 MLR rate filing experience supplied by CCIIO. The combination of the transfer amount and the difference between our average premium and the state average premium would produce the needed adjustment to our index rate for the expected risk adjuster transfer amount.

The projected risk adjustment is \$ 33.28 PMPM for this state and legal entity.

Reinsurance: Projected ACA reinsurance recoveries as a percent of premium have been accounted for in the Taxes and Fees percentage detailed

### **Projected ACA Reinsurance Recoveries Net of Reinsurance Premium (Individual Market and Combined Markets Only):**

This does not apply to the small group market.

## **Non-Benefit Expenses and Profit & Risk**

Expenses are based on our internal forecast for 2014. Expenses are estimated based off of current costs, projected volume changes and estimated changes in department workload. These expenses are simply loaded as a flat percentage of premium at this point in time and do not vary by product or plan.

### **13.0% Administrative Expense Load**

- Broker & Sales Commissions: Compensation expenses associated with business issued through an agent or agency
- Quality Expenses: Expenses associated with quality that are allowed adjustments under the Medical Loss Ratio standards
- Clinical & Network Operations: non-quality clinical costs, provider contracting, and network maintenance & development
- IT Expenses: costs associated with maintenance and development of systems
- Customer Service & Account Installation: call center, customer service, and account management
- Corporate Administration: shared functions that are not exclusive to small group medical segment, including corporate finance, legal, human resources, etc.
- Small Group Administration: functional areas & personnel that solely work on small group medical segment

- Direct Response, Marketing, & Agency Management: direct to consumer marketing expenses, other marketing expenses and agency management expenses

## 2.2% Profit (or Contribution to Surplus) & Risk Margin

- Profit margin is shown on a pre- tax basis and does not include investment income. The margin shown does not vary by product or plan.

## 3.7% Taxes and Fees

- 0.8% •State Premium Tax: state premium tax; charged on a percentage of premium

- 1.30% •Federal Insurer Annual Fee: assessment created in 2014 by PPACA. Estimated at 1.3% of premium. Not income tax deductible.

- 1.50% •Federal Reinsurance Assessment Fee: assessment created in 2014 by PPACA. Estimated at 1.5% of premium.

- 0.02% •Risk Adjuster Fee: charged on a percentage of premium basis to fund the risk adjuster process

- 0.05% •Comparative Effectiveness Fee: charged on a percentage of premium to fund comparative research conduct research evaluating and comparing health outcomes and the clinical effectiveness, risks and benefits of medical treatments.

## Projected Loss Ratio

The projected loss ratio using the Federally prescribed MLR methodology is :

Demonstration:

$$(2014 \text{ Claims}/2014 \text{ Premium}) + (\text{Quality Expenses as a \% of Premium}) / (1 - \text{Taxes and Fees as a \% of Premium})$$

$$((2,077,388 / 2,596,649) + 1.6\%) / (1 - 3.7\%) =$$

**84.7%**

For this state and legal entity name, the projected loss ratio reported above was estimated using the 2-50 group segment experience, this does not align with the state's small business definition for calculating MLR rebates.

If the projected loss ratio is less than 80%, then the company comply with the Federal MLR requirements outlined in PHSA 2718

## Index Rate

The Experience Period is for coverage months between January 2012 and December 2012, over which time the covered benefits offered by the company were leaner than The Essential Health benefits required by the Affordable Care Act. Therefore, the index rate for the Experience Period is set equal to the total Allowed Claims PMPM in the Experience Period, with EHB pricing assumptions used to approximate the portion of the rate which covers EHB requirements in the projected period.

There are no state mandated covered benefits that are included in allowed claims but excluded from the index rate.

The following market-wide adjustments are applied to the projected index rate as the first step in determining plan level "index" rates:

- 1) Adjustments for the net impacts of both risk adjustment and reinsurance. See "Risk Adjustment and Reinsurance" earlier section for more details of this market-wide adjustment.
- 2) Expense estimates were based on our internal forecast for 2014. They were estimated based on current costs, modified to accommodate projected volume changes and changes in department workload. These are presented as a flat percentage of premium at this point in time and do not vary by product or plan, and thus are essentially another market-wide adjustment applied to the projected index rate.
- 3) An adjustment for the addition of non-EHB benefits (additional benefits we provide at our own discretion, as well as any state mandated benefits not reflected in the benchmark plan). It is assumed that the addition of such benefits increases costs to all plans uniformly, hence it is essentially handled as a market-wide adjustment.

Then the following plan-specific adjustments are applied to determine plan level "index" rates:

- 4) Each of the plan tier pricing actuarial values (AVs) were developed based on an internal pricing model with underlying utilization and costs reflective of a standard population equal to that of the anticipated membership in the overall 2014 risk pool. The data used to produce the small group pricing AVs was based on a standard population of commercially insured membership purchased from a third party vendor. Then, the 2014 plan design parameters were applied to those allowed claims to produce paid claims and pricing AV's. The company did not use the experience of the terminating products when determining the pricing adjustment due to the low membership on any particular plan which makes the experience not credible. These values were developed in accordance with generally accepted actuarial principles and methodologies.
- 5) The development of the index rate includes the anticipated average unit costs derived from the provider networks that will be available on this legal entity in this state. These average unit costs are the result of charge levels, network discounts, delivery system characteristics and utilization management practices across the entire state, for this legal entity.
- 6) The impact of Non-EHBs on the index rate is 0.08%.

## AV Metal Values

The AV Metal Values entered in Worksheet 2 of the Part I Unified Rate Review Template were entirely based on the AV calculator unless listed below. For those plans listed below, an alternative methodology was used to generate AV Metal Values and a copy of the actuarial certification required by 45 CFR Part 156, §156.135 has been provided for each occurrence along with this memorandum. For each actuarial certification, the chosen alternate methodology and the reason the benefits for a particular plan are not compatible with the AV Calculator are detailed. Each certification has been signed by a member of the American Academy of Actuaries, and the generated AV Metal values were developed in accordance with generally accepted actuarial principles and methodologies.

Below is the list of plans where an alternative methodology was used to generate AV Metal Values:

All plans were entirely based on the AV calculator.

## AV Pricing Values

The fixed reference plan selected as the basis for the AV Pricing Values is: 79509CO0500011

## Membership Projections

The company is terminating all non-grandfathered plans issued before 1/1/2014 and is projecting that groups will renew on similar plans throughout 2014. The membership projections found in Worksheet 2 of the Part I Unified Rate Review Template are based mapping membership from non-ACA compliant plans to 2014 ACA compliant plans. The overall membership volume is adjusted for anticipated market growth, in-force persistency, and relative competitiveness via our internal market level projection models.

### Terminated Products

The product names being terminated prior to the effective date have been listed below. The list encompasses both products that have experience included in the single risk pool during the experience period and any products that were not in effect during the experience but were made available thereafter.

List of Terminated Products:

75909CO019	75909CO037
75909CO020	75909CO038
75909CO021	75909CO039
75909CO022	75909CO040
75909CO023	75909CO041
75909CO024	75909CO042
75909CO025	75909CO043
75909CO026	75909CO044
75909CO027	75909CO045
75909CO028	75909CO046
75909CO029	75909CO047
75909CO030	75909CO048
75909CO031	75909CO049
75909CO032	75909CO050
75909CO033	75909CO051
75909CO034	75909CO052
75909CO035	75909CO053
75909CO036	75909CO054

### Plan Type

The plan types selected in the drop-down boxes in Worksheet 2, Section I of the Part I Unified Rate Review Template for each of the company's plans do not require further explanation. The company's plan types align with the definitions found on the Healthcare.gov website.

### Warning Alerts

Benefit Category	Utilization		Average		PMPM	Pop'l risk				Utilization per 1,000		Average		PMPM	Utilization per 1,000		Average	
	Description	Utilization per 1,000	Cost/Service			Morbidity	Other	Cost	Util	Utilization per 1,000	Cost/Service	Cost/Service			per 1,000	Cost/Service		
Inpatient Hospital		142.23	\$5,967.19	\$	70.73	1.000	0.987	1.054	1.025	149.43	\$	6,544.70	\$	81.50	\$	197.51	\$	5,063.70
Outpatient Hospital		1,990.94	941.80		156.26	1.000	0.987	1.053	0.992	1,959.21		1,030.99		168.33		1,938.80		564.97
Professional		9,648.03	201.56		162.06	1.000	0.987	1.020	1.041	10,455.39		207.04		180.39		8,049.74		148.50
Other Medical		823.59	105.64		7.25	1.000	0.987	1.019	1.091	980.30		108.30		8.85		1,028.05		120.64
Capitation		12,000.00	3.43		3.43	1.000	0.987	1.082	1.000	12,000.00		3.97		3.97		\$12,000.00		5.92
Prescription Drug		298.45	3,810.19		94.76	1.000	0.987	1.098	1.007	302.64		4,535.13		114.38		278.99		2,486.85
Total					\$ 494.48									\$ 557.40		23,493		\$

Benefit Category	Utilization		Average		PMPM	Pop'l risk				Utilization per 1,000		Average		PMPM	Utilization per 1,000		Average	
	Description	Utilization per 1,000	Cost/Service			Morbidity	Other	Cost	Util	Utilization per 1,000	Cost/Service	Cost/Service			per 1,000	Cost/Service		
Inpatient Hospital		142.23	\$5,967.19	\$	70.73	1.000	1.000	1.047	1.025	149.43	\$	6,544.70	\$	81.50		197.51	\$	5,063.70
Outpatient Hospital		1,990.94	941.80		156.26	1.000	1.000	1.038	1.000	1,990.94		1,014.56		168.33		1938.80		564.97
Professional		9,648.03	201.56		162.06	1.000	1.000	1.013	1.041	10,455.39		207.04		180.39		8049.74		148.50
Other Medical		823.59	105.64		7.25	1.000	1.000	1.012	1.091	980.30		108.30		8.85		1028.05		120.64
Capitation		12,000.00	3.43		3.43	1.000	1.000	1.075	1.000	12,000.00		3.97		3.97		12000.00		5.92
Prescription Drug		298.45	3,810.19		94.76	1.000	1.000	1.091	1.007	302.64		4,535.13		114.38		278.99		2,486.85
Total				\$	494.48								\$	557.40		23,493		\$

Due to an error in the Unified Rate Review Template, values cannot be less than a 1.0000. Figure A. shows our intentions and true PMPM by service category whereas Figure B. shows the modified exhibit which totals the same PMPM after adjustments to the other, cost, and utilization components.

### Reliance

I, Paul Roe, ASA, MAAA, relied on information and underlying assumptions provided by internally developed pricing and modeling as well as third party consultant data in the establishment of these rates.

### Actuarial Certification

I, Paul Roe, ASA, MAAA, am a Managing Actuary employed by Humana Insurance Company. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the Statement of Actuarial Opinion contained herein.

I hereby certify that to the best of my knowledge and judgment and based upon the information presented to me:

1. The projected index rate is: \$350.70

- in compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)).
- developed in compliance with the applicable Actuarial Standards of Practice.
- reasonable in relation to the benefits provided and the population anticipated to be covered
- neither excessive nor deficient.

2. That the index rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates.

3. That the percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.

4. That the AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans except those specified in the certification. For plans where an alternate methodology was used to calculate the AV Metal Value, a copy of the actuarial certification required by 45 CFR Part 156, §156.135 has been included. That certification was signed by a member of the American Academy of Actuaries, where he or she indicated that the values were developed in accordance with generally accepted actuarial principles and methodologies. That certification also includes a reason and a description of the alternate methodology that was used for each applicable plan.

This opinion is qualified, in that the Part I Unified Rate Review Template does not demonstrate the process used by the issuer to develop the rates. Rather, it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of qualified health plans for Federally facilitated exchanges and for certification that the index rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.

A handwritten signature in blue ink that reads "Paul D. Roe". The signature is written in a cursive style with a large, looped "P" and "R".

**Actuary signature:**

**Date: July 5, 2013**

Paul Roe, ASA, MAAA  
Managing Actuary



Humana Health Plan - Side by Side Comparison

Exhibit I.

Medical Index Rates for CO Small Group Business

<u>Date</u>	<u>Current Index Rate</u>	<u>Proposed Rate</u>	<u>% Change From Current</u>	<u>% Monthly Change</u>
01/01/2014	NA	297.93	NA	NA
02/01/2014	NA	297.93	NA	0.0%
03/01/2014	NA	297.93	NA	0.0%
04/01/2014	NA	303.01	NA	1.7%
05/01/2014	NA	303.01	NA	0.0%
06/01/2014	NA	303.01	NA	0.0%
07/01/2014	NA	308.18	NA	1.7%
08/01/2014	NA	308.18	NA	0.0%
09/01/2014	NA	308.18	NA	0.0%
10/01/2014	NA	313.44	NA	1.7%
11/01/2014	NA	313.44	NA	0.0%
12/01/2014	NA	313.44	NA	0.0%

Rx Index Rates for CO Small Group Business

<u>Date</u>	<u>Current Index Rate</u>	<u>Proposed Rate</u>	<u>% Change From Current</u>	<u>% Monthly Change</u>
01/01/2014	NA	52.77	NA	NA
02/01/2014	NA	52.77	NA	0.0%
03/01/2014	NA	52.77	NA	0.0%
04/01/2014	NA	53.67	NA	1.7%
05/01/2014	NA	53.67	NA	0.0%
06/01/2014	NA	53.67	NA	0.0%
07/01/2014	NA	54.58	NA	1.7%
08/01/2014	NA	54.58	NA	0.0%
09/01/2014	NA	54.58	NA	0.0%
10/01/2014	NA	55.51	NA	1.7%
11/01/2014	NA	55.51	NA	0.0%
12/01/2014	NA	55.51	NA	0.0%

Medical Plan Benefit Factors

Product Type	Coins	PCP Copay	Par Ded	Par OOP	Current Factor	Revised Factor	% Change
Trad Copay PPO	100/70	25	500	4000	NA	0.8103	NA
Trad Copay PPO	100/70	25	1000	4000	NA	0.7473	NA
Trad Copay PPO	100/70	30	1500	6400	NA	0.6700	NA
Trad Copay PPO	100/70	30	2000	6400	NA	0.6306	NA
Trad Copay PPO	100/70	35	2000	5000	NA	0.6401	NA
Trad Copay PPO	90/60	30	1500	6400	NA	0.6145	NA
Trad Copay PPO	90/60	30	2000	6400	NA	0.5899	NA
Trad Copay PPO	80/50	25	500	4000	NA	0.6386	NA
Trad Copay PPO	80/50	25	1000	4000	NA	0.5938	NA
Trad Copay PPO	80/50	40	1500	5000	NA	0.5326	NA
Trad Copay PPO	80/50	30	2000	6400	NA	0.4969	NA
Trad Copay PPO	80/50	30	2000	6400	NA	0.4969	NA
Trad Copay PPO	80/50	45	2000	5000	NA	0.5065	NA
Trad Copay PPO	70/50	20	1000	4000	NA	0.5633	NA
Trad Copay PPO	70/50	35	2000	6400	NA	0.4715	NA
Trad Copay PPO	70/50	40	2000	6400	NA	0.4650	NA
Trad Copay PPO	60/50	30	2000	6400	NA	0.4483	NA
Trad Copay PPO	60/50	35	2000	6400	NA	0.4455	NA
Trad Copay PPO	60/50	40	2000	6400	NA	0.4402	NA
Trad Copay PPO	50/50	25	2000	6400	NA	0.4059	NA
Trad Copay PPO	50/50	30	2000	6400	NA	0.3925	NA
Trad Copay PPO	50/50	35	2000	6400	NA	0.3995	NA
Trad Copay PPO	50/50	40	2000	6400	NA	0.3938	NA
EHDHP PPO	100/70	0	2000	2000	NA	0.8766	NA
EHDHP PPO	90/60	0	5000	6400	NA	0.5714	NA
EHDHP PPO	80/50	0	2000	6400	NA	0.6548	NA
EHDHP PPO	80/50	0	4000	6400	NA	0.5232	NA
EHDHP PPO	80/50	0	5000	6400	NA	0.4870	NA
EHDHP PPO	70/50	0	1500	6400	NA	0.6335	NA
EHDHP PPO	70/50	0	3500	6400	NA	0.5175	NA
HDHP PPO	100/70	0	1750	1750	NA	0.8937	NA
HDHP PPO	100/70	0	5500	5000	NA	0.5615	NA
HDHP PPO	80/50	0	1500	6400	NA	0.6888	NA

HDHP PPO	80/50	0	4000	6400	NA	0.5081	NA
EHDHP Walmart/CVS PPO	100/70	0	2000	2000	NA	0.8678	NA
EHDHP Walmart/CVS PPO	90/60	0	5000	6400	NA	0.5656	NA
EHDHP Walmart/CVS PPO	80/50	0	2000	6400	NA	0.6483	NA
EHDHP Walmart/CVS PPO	80/50	0	4000	6400	NA	0.5180	NA
EHDHP Walmart/CVS PPO	80/50	0	5000	6400	NA	0.4821	NA
EHDHP Walmart/CVS PPO	70/50	0	1500	6400	NA	0.6271	NA
EHDHP Walmart/CVS PPO	70/50	0	3500	6400	NA	0.5123	NA
HDHP Walmart/CVS PPO	100/70	0	1750	1750	NA	0.8847	NA
HDHP Walmart/CVS PPO	100/70	0	5500	5000	NA	0.5559	NA
HDHP Walmart/CVS PPO	80/50	0	1500	6400	NA	0.6819	NA
HDHP Walmart/CVS PPO	80/50	0	4000	6400	NA	0.5031	NA
Simplicity PPO	100/70	30	0	6400	NA	0.6533	NA
Simplicity PPO	100/70	45	0	6400	NA	0.4725	NA
Simplicity PPO	100/70	50	0	6400	NA	0.3975	NA
Coins PPO	80/50	0	2000	5000	NA	0.5046	NA
Coins PPO	70/50	0	1500	5000	NA	0.5001	NA
Coins PPO	70/50	0	5000	6400	NA	0.3634	NA
Indemnity	80/50	0	2000	5000	NA	0.8413	NA

#### Rx Plan Benefit Factors

Description	Current Factor	Revised Factor	% Change
Rx4 10/35/55/25% Simplicity	NA	0.8530	NA
Rx4 10/45/90/25% Simplicity	NA	0.7256	NA
Rx4 10/40/70/25% Simplicity	NA	0.7908	NA
Rx4 10/30/50/25%	NA	0.8906	NA
Rx4 10/30/50/25% 100 ded	NA	0.8032	NA
Rx4 10/35/50/25% 100 ded	NA	0.7805	NA
Rx4 10/35/55/25%	NA	0.8507	NA
Rx4 10/35/55/25% 250 ded	NA	0.6783	NA
Rx4 10/35/70/25% 250 ded	NA	0.6458	NA
Rx4 10/35/75/25%	NA	0.8029	NA
Rx4 10/40/70/25% w/ 3500 OOP	NA	0.8136	NA
Rx4 10/40/70/25% 250 ded	NA	0.6270	NA
Rx4 10/45/70/25%	NA	0.7713	NA
Rx4 10/45/75/25%	NA	0.7571	NA
Rx4 10/45/75/25% 100 ded	NA	0.6805	NA
Rx4 10/45/90/25%	NA	0.7236	NA
Rx4 10/45/90/25% 100 ded	NA	0.6498	NA
Rx4 10/45/90/25%	NA	0.7236	NA
Rx4 10/45/90/25% 100 ded	NA	0.6498	NA
Rx4 10/35/55/25% Simplicity Walmart/CVS	NA	0.7677	NA
Rx4 10/45/90/25% Simplicity Walmart/CVS	NA	0.6530	NA
Rx4 10/40/70/25% Simplicity Walmart/CVS	NA	0.7117	NA
Rx4 10/30/50/25% Walmart/CVS	NA	0.8015	NA
Rx4 10/30/50/25% 100 ded Walmart/CVS	NA	0.7229	NA
Rx4 10/35/50/25% 100 ded Walmart/CVS	NA	0.7024	NA
Rx4 10/35/55/25% Walmart/CVS	NA	0.7656	NA
Rx4 10/35/55/25% 250 ded Walmart/CVS	NA	0.6105	NA
Rx4 10/35/70/25% 250 ded Walmart/CVS	NA	0.5813	NA
Rx4 10/35/75/25% Walmart/CVS	NA	0.7226	NA
Rx4 10/40/70/25% w/ 3500 OOP Walmart/CVS	NA	0.7322	NA
Rx4 10/40/70/25% 250 ded Walmart/CVS	NA	0.5643	NA
Rx4 10/45/70/25% Walmart/CVS	NA	0.6942	NA
Rx4 10/45/75/25% Walmart/CVS	NA	0.6813	NA
Rx4 10/45/75/25% 100 ded Walmart/CVS	NA	0.6124	NA
Rx4 10/45/90/25% Walmart/CVS	NA	0.6513	NA
Rx4 10/45/90/25% 100 ded Walmart/CVS	NA	0.5848	NA
Rx4 10/45/90/25% Walmart/CVS	NA	0.6513	NA
Rx4 10/45/90/25% 100 ded Walmart/CVS	NA	0.5848	NA

**Medical Area Factors**

	<b><u>Current</u></b>	<b><u>Proposed</u></b>	<b><u>% Change from Current</u></b>
Boulder	NA	1.4359	NA
Colorado Springs	NA	1.3373	NA
Denver	NA	1.3073	NA
Fort Collins	NA	2.4257	NA
Grand Junction	NA	2.4257	NA
Greeley	NA	2.4257	NA
Northeast Non-MSA	NA	2.4257	NA
Pueblo	NA	2.4257	NA
Resort	NA	2.4257	NA
Southeast Non-MSA	NA	2.4257	NA
West Non-MSA	NA	2.4257	NA

**Rx Area Factors**

	<b><u>Current</u></b>	<b><u>Proposed</u></b>	<b><u>% Change from Current</u></b>
Boulder	NA	1.2947	NA
Colorado Springs	NA	1.3571	NA
Denver	NA	1.5079	NA
Fort Collins	NA	2.1128	NA
Grand Junction	NA	2.1128	NA
Greeley	NA	2.1128	NA
Northeast Non-MSA	NA	2.1128	NA
Pueblo	NA	2.1128	NA
Resort	NA	2.1128	NA
Southeast Non-MSA	NA	2.1128	NA
West Non-MSA	NA	2.1128	NA

Plan Name	Metal Tier	Rating Area	Network	Premium
Trad Copay 100/70 \$25 Copay, \$500 Ded, \$4000 OOP	Gold	Boulder	PPO	\$ 520.75
Trad Copay 70/50 \$20 Copay, \$1000 Ded, \$4000 OOP	Gold	Boulder	PPO	\$ 377.94
Trad Copay 100/70 \$30 Copay, \$1500 Ded, \$6350 OOP	Silver	Boulder	PPO	\$ 433.63
Trad Copay 50/50 \$30 Copay, \$2000 Ded, \$6350 OOP	Silver	Boulder	PPO	\$ 277.70
EHDHP 90/60 \$5000 Ded, \$6350 OOP	Bronze	Boulder	PPO	\$ 312.38
COINS NPOS 90/60 \$5000 Ded, \$6350 OOP	Bronze	Boulder	PPO	\$ 249.73
Trad Copay 100/70 \$25 Copay, \$500 Ded, \$4000 OOP	Gold	Colorado Springs	PPO	\$ 493.89
Trad Copay 70/50 \$20 Copay, \$1000 Ded, \$4000 OOP	Gold	Colorado Springs	PPO	\$ 361.89
Trad Copay 100/70 \$30 Copay, \$1500 Ded, \$6350 OOP	Silver	Colorado Springs	PPO	\$ 411.93
Trad Copay 50/50 \$30 Copay, \$2000 Ded, \$6350 OOP	Silver	Colorado Springs	PPO	\$ 268.88
EHDHP 90/60 \$5000 Ded, \$6350 OOP	Bronze	Colorado Springs	PPO	\$ 284.41
COINS NPOS 90/60 \$5000 Ded, \$6350 OOP	Bronze	Colorado Springs	PPO	\$ 240.35
Trad Copay 100/70 \$25 Copay, \$500 Ded, \$4000 OOP	Gold	Denver	PPO	\$ 479.11
Trad Copay 70/50 \$20 Copay, \$1000 Ded, \$4000 OOP	Gold	Denver	PPO	\$ 350.74
Trad Copay 100/70 \$30 Copay, \$1500 Ded, \$6350 OOP	Silver	Denver	PPO	\$ 401.97
Trad Copay 50/50 \$30 Copay, \$2000 Ded, \$6350 OOP	Silver	Denver	PPO	\$ 261.11
EHDHP 90/60 \$5000 Ded, \$6350 OOP	Bronze	Denver	PPO	\$ 278.24
COINS NPOS 90/60 \$5000 Ded, \$6350 OOP	Bronze	Denver	PPO	\$ 233.28

**State Of Colorado**  
**Health Rate Filing Form**  
**Form HR-1**

**Reset Form**

<b>Must Be Completed For All Products</b>		SERFF FILING # <b>HUMA-129002825</b>	
1. Company: <b>Humana Insurance Company</b>			
2. Person Responsible For Filing: <b>Paul Roe</b>		3. Title: <b>Actuary</b>	
4. Address Of Responsible Person: <b>1100 Employers Bo</b>		5. Telephone #: <b>(800) 544-7001</b> ext. <b>8007</b>	
6. Email Address: <b>proe@humana.com</b>			
7. <b>Type Of Coverage:</b> <b>PPO</b> Other :			
8. Medicare Supplement: <b>Select One</b> Not Applicable <input checked="" type="checkbox"/>			
(1) Prestandardized Plan(s): (2) Standardized Plan(s): <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input type="checkbox"/> FHD <input type="checkbox"/> G <input type="checkbox"/> H <input type="checkbox"/> I <input type="checkbox"/> J <input type="checkbox"/> JHD <input type="checkbox"/> K <input type="checkbox"/> L (3) 2010 Plans: <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> F <input type="checkbox"/> FHD <input type="checkbox"/> G <input type="checkbox"/> K <input type="checkbox"/> L <input type="checkbox"/> M <input type="checkbox"/> N			
9. <b>Sub Category:</b> <b>Small Group (1-50)</b>			
10. A. Group Information: <b>Employer</b> <b>N/A</b> <b>N/A</b> <b>N/A</b> B. Name of association or trust ( <i>if applicable</i> ): C. Description of discretionary group( <i>if applicable</i> ):			
11. <b>Colorado State Code(s):</b> <b>701 Small Group</b> <b>Select One</b> <div style="display: flex; justify-content: space-between; padding: 0 5px;"> <span>N/A</span> <span>N/A</span> <span>N/A</span> </div>			
12. <b>Brief Filing Description</b> (Disability, Major Medical, LTC, Etc. Also Describe All Methodology Changes.): <div style="text-align: center; color: red; font-weight: bold; margin-top: 10px;">Major Medical</div>			
13. <b>Reason For Filing:</b>  <div style="margin-top: 10px;"> <b>Increase In Benefits?</b>  <b>Reduction In Benefits?</b>  <b>Increase in Profits?</b>  <b>Change Needed To Meet Projected Losses?</b>  <b>Trend Only?</b>  <b>Change In Rating Methodology?</b>  <b>New Product (Initial Offering As Opposed To Rate Revision)?</b>  <b>Other?</b>  <b>(If other, please explain)</b> </div>		<div style="display: flex; flex-direction: column; align-items: flex-end;"> <div><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</div> <div><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</div> <div><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</div> <div><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</div> <div><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</div> <div><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</div> <div><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</div> <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div> </div>	
14. <b>Policy Form(s) Affected:</b> <b>CC2003 et al, CO CC2003M, CO CONV INDV</b>			

15. If Rider Or Endorsement, <b>Type Of Benefits?</b> <b>NA</b>		
16. Closed Block(s)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date Block Closed:		
17. <b>Number Of Colorado Covered Lives</b> (Including Employees And Dependents): <b>313</b>		
18. A. Rating Period: <b>Other</b> From To		<input checked="" type="checkbox"/> N/A (New Product)
B. Experience Period: From To		
C. Reason for Rate Change:		
D. Average Change In Rates From One Year Prior To Effective Date: <b>0.00%</b>		
19. A. <b>Rate Change Without Trend:</b> <b>0.00%</b>		
B. <b>Trend for Rating Period (if trend factor is used in rates):</b> <b>7.00%</b>		
C. Overall Rate Impact Change: <b>0.00%</b>		
20. A. <b>Current Underlying Annualized Trend Assumption</b> (If Applicable): <b>0.00%</b>		
B. Requested Underlying <i>Annualized</i> Trend Assumption (If Applicable): <b>7.00%</b>		
21. A. <b>What Is The Maximum Rate Change That Can Affect A Policyholder?</b> <b>0.00%</b>		
B. <b>What Is The Minimum Rate Change That Can Affect A Policyholder?</b> <b>0.00%</b>		
(If the selected rate change differs from the indicated rate change, please fully detail in the actuarial memorandum in section 6K.)		
Benefits Ratios ( <b>On Colorado only basis</b> )		
22. A. Targeted Benefits Ratio over Rating Period (assumed in calculation of rates): <b>80.00%</b>		
B. Actual Benefits Ratio over Experience Period: <b>0.00%</b>		<input checked="" type="checkbox"/> N/A (New Product)
23. A. <b>Projected Benefits Ratio With Rate Change over Rating Period</b> <b>0.00%</b>	<input type="checkbox"/> Colorado <input type="checkbox"/> Colorado/Nationwide <input type="checkbox"/> Nationwide Basis	<input checked="" type="checkbox"/> N/A (New Product)
B. Projected Benefits Ratio <b>Without</b> Rate Change over Rating Period <b>0.00%</b>		
(If projected benefits ratios on a Colorado only basis are not available, then ratios developed on a blended Colorado/Nationwide or Nationwide basis are acceptable. Please indicate above.)		
24. <b>Proposed Effective Date:</b> <b>01/01/2014</b>		
25. A. <b>Total Annual Colorado Written Premium Before Change(s):</b> \$ <b>0</b>		<input checked="" type="checkbox"/> N/A (New Product)
B. <b>Total Annual Colorado Written Premium After Change(s):</b> \$ <b>0</b>		
C. Written Premium Change For This Product (Net Change): \$ <b>0</b>		
26. A. <b>Effective Date</b> of Previous Rate Filing for this Form (including initial filing):		<input checked="" type="checkbox"/> N/A (New Product)
B. Previous SERFF Filing Number(s):		
C. Overall Percentage of Last Rate Change for Affected Policy Forms: <b>0.00%</b>		
27. <b>Experience Provided:</b> <input type="checkbox"/> Nationwide <input type="checkbox"/> Colorado <b>0-2 Years (New plan only)</b> <input type="checkbox"/> other (specify)		<input checked="" type="checkbox"/> N/A (New Product)
28. <b>Small Group Filings Only: Unique Single Index Rate</b> (Effective For All Small Group Plans):		<b>350.07</b>

# **HIC Small Business Non-Grandfathered Rate Manual**

**HUMANA INSURANCE COMPANY**  
**This is the rate filing for Humana's Small Business Products.**

**Medical Rating Formula**

The medical rates for coverage types are calculated as follows:

- 1.) Index Rate
- 2.) x Area Factor
- 3.) x Age Factor
- 4.) x Medical Plan Benefit Factor
- 5.) x Optional Riders

**Drug Rating Formula**

- 1.) Index Rate
- 2.) x Area Factor
- 3.) x Age Factor
- 4.) x Rx Plan Benefit Factor

**TABLE 1**  
Index Rates

<u><i>Date</i></u>	<u><i>Medical</i></u>	<u><i>RX</i></u>
01/01/2014	\$ 316.65	\$ 53.77
02/01/2014	\$ 316.65	\$ 53.77
03/01/2014	\$ 316.65	\$ 53.77
04/01/2014	\$ 322.05	\$ 54.69
05/01/2014	\$ 322.05	\$ 54.69
06/01/2014	\$ 322.05	\$ 54.69
07/01/2014	\$ 327.55	\$ 55.62
08/01/2014	\$ 327.55	\$ 55.62
09/01/2014	\$ 327.55	\$ 55.62
10/01/2014	\$ 333.14	\$ 56.57
11/01/2014	\$ 333.14	\$ 56.57
12/01/2014	\$ 333.14	\$ 56.57

**TABLE 2**  
Area Factors

<u><i>Rating Area</i></u>	<u><i>Medical</i></u>	<u><i>Rx</i></u>
Boulder	1.3976	1.2682
Colorado Springs	1.2282	1.2817
Denver	1.7282	1.4426
Fort Collins	2.2189	2.0132
Grand Junction	2.2189	2.0132
Greeley	2.2189	2.0132
Northeast Non-MSA	2.2189	2.0132
Pueblo	2.2189	2.0132
Resort	2.2189	2.0132
Southeast Non-MSA	2.2189	2.0132
West Non-MSA	2.2189	2.0132



**TABLE 3**  
Age Factors

<i>Age</i>	<i>Factor</i>	<i>Age</i>	<i>Factor</i>
0-20	0.635	43	1.357
21	1.000	44	1.397
22	1.000	45	1.444
23	1.000	46	1.500
24	1.000	47	1.563
25	1.004	48	1.635
26	1.024	49	1.706
27	1.048	50	1.786
28	1.087	51	1.865
29	1.119	52	1.952
30	1.135	53	2.040
31	1.159	54	2.135
32	1.183	55	2.230
33	1.198	56	2.333
34	1.214	57	2.437
35	1.222	58	2.548
36	1.230	59	2.603
37	1.238	60	2.714
38	1.246	61	2.810
39	1.262	62	2.873
40	1.278	63	2.952
41	1.302	64+	3.000
42	1.325		

**Table 4**  
Medical Plan Factors

<b><u>Plan ID</u></b>	<b><u>Product Type</u></b>	<b><u>Coins</u></b>	<b><u>PCP Copay</u></b>	<b><u>PCP Ded</u></b>	<b><u>PCP OOP</u></b>	<b><u>Factor</u></b>
<b>79509CO050</b>						
0001	Trad Copay PPO	100/70	25	500	4000	0.8058
0002	Trad Copay PPO	100/70	25	1000	4000	0.7431
0003	Trad Copay PPO	100/70	30	1500	6400	0.6663
0004	Trad Copay PPO	100/70	30	2000	6400	0.6271
0005	Trad Copay PPO	100/70	35	2000	5000	0.6366
0006	Trad Copay PPO	90/60	30	1500	6400	0.6111
0007	Trad Copay PPO	90/60	30	2000	6400	0.5866
0008	Trad Copay PPO	80/50	25	500	4000	0.6350
0009	Trad Copay PPO	80/50	25	1000	4000	0.5905
0010	Trad Copay PPO	80/50	40	1500	5000	0.5296
0011	Trad Copay PPO	80/50	30	2000	6400	0.4941
0012	Trad Copay PPO	80/50	30	2000	6400	0.4941
0013	Trad Copay PPO	80/50	45	2000	5000	0.5036
0014	Trad Copay PPO	70/50	20	1000	4000	0.5602
0015	Trad Copay PPO	70/50	35	2000	6400	0.4689
0016	Trad Copay PPO	70/50	40	2000	6400	0.4624
0017	Trad Copay PPO	60/50	30	2000	6400	0.4458
0018	Trad Copay PPO	60/50	35	2000	6400	0.4430
0019	Trad Copay PPO	60/50	40	2000	6400	0.4377
0020	Trad Copay PPO	50/50	25	2000	6400	0.4036
0021	Trad Copay PPO	50/50	30	2000	6400	0.3903
0022	Trad Copay PPO	50/50	35	2000	6400	0.3973
0023	Trad Copay PPO	50/50	40	2000	6400	0.3916
0024	EHDHP PPO	100/70	0	2000	2000	0.8766
0025	EHDHP PPO	90/60	0	5000	6400	0.5714
0026	EHDHP PPO	80/50	0	2000	6400	0.6548
0027	EHDHP PPO	80/50	0	4000	6400	0.5232
0028	EHDHP PPO	80/50	0	5000	6400	0.4870
0029	EHDHP PPO	70/50	0	1500	6400	0.6335
0030	EHDHP PPO	70/50	0	3500	6400	0.5175
0031	HDHP PPO	100/70	0	1750	1750	0.8937
0032	HDHP PPO	100/70	0	5500	5000	0.5615
0033	HDHP PPO	80/50	0	1500	6400	0.6888
0034	HDHP PPO	80/50	0	4000	6400	0.5081
0035	EHDHP Walmart/CVS PPO	100/70	0	2000	2000	0.8678
0036	EHDHP Walmart/CVS PPO	90/60	0	5000	6400	0.5656
0037	EHDHP Walmart/CVS PPO	80/50	0	2000	6400	0.6483
0038	EHDHP Walmart/CVS PPO	80/50	0	4000	6400	0.5180

	<b><i>Product Type</i></b>	<b><i>Coins</i></b>	<b><i>PCP Copay</i></b>	<b><i>PCP Ded</i></b>	<b><i>PCP OOP</i></b>	<b><i>Factor</i></b>
0039	EHDHP Walmart/CVS PPO	80/50	0	5000	6400	0.4821
0040	EHDHP Walmart/CVS PPO	70/50	0	1500	6400	0.6271
0041	EHDHP Walmart/CVS PPO	70/50	0	3500	6400	0.5123
0042	HDHP Walmart/CVS PPO	100/70	0	1750	1750	0.8847
0043	HDHP Walmart/CVS PPO	100/70	0	5500	5000	0.5559
0044	HDHP Walmart/CVS PPO	80/50	0	1500	6400	0.6819
0045	HDHP Walmart/CVS PPO	80/50	0	4000	6400	0.5031
0046	Simplicity PPO	100/70	30	0	6400	0.6533
0047	Simplicity PPO	100/70	45	0	6400	0.4725
0048	Simplicity PPO	100/70	50	0	6400	0.3975
0049	Coins PPO	80/50	0	2000	5000	0.5046
0050	Coins PPO	70/50	0	1500	5000	0.5001
0051	Coins PPO	70/50	0	5000	6400	0.3634
<b>79509C0051</b>						
0001	Indemnity	80/50	0	2000	5000	0.8413

**TABLE 5**  
Optional Riders

Carry Over Credit	1.0340
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**TABLE 6**  
Rx Plan Benefit Factors

<i><u>Rx Plan</u></i>	<i><u>Rx Plan Benefit Factor</u></i>	<i><u>Walmart/CVS Rx Plan Benefit Factor</u></i>
Rx4 10/35/55/25% Simplicity	0.8530	0.7677
Rx4 10/45/90/25% Simplicity	0.7256	0.6530
Rx4 10/40/70/25% Simplicity	0.7908	0.7117
Rx4 10/30/50/25%	0.8906	0.8015
Rx4 10/30/50/25% 100 ded	0.8032	0.7229
Rx4 10/35/50/25% 100 ded	0.7805	0.7024
Rx4 10/35/55/25%	0.8507	0.7656
Rx4 10/35/55/25% 250 ded	0.6783	0.6105
Rx4 10/35/70/25% 250 ded	0.6458	0.5813
Rx4 10/35/75/25%	0.8029	0.7226
Rx4 10/40/70/25% with 3500 OOP	0.8136	0.7322
Rx4 10/40/70/25% 250 ded	0.6270	0.5643
Rx4 10/45/70/25%	0.7713	0.6942
Rx4 10/45/75/25%	0.7571	0.6813
Rx4 10/45/75/25% 100 ded	0.6805	0.6124
Rx4 10/45/90/25%	0.7236	0.6513
Rx4 10/45/90/25% 100 ded	0.6498	0.5848
Rx4 10/45/90/25%	0.7236	0.6513
Rx4 10/45/90/25% 100 ded	0.6498	0.5848

# **HIC Small Business Non-Grandfathered Rate Manual**

**HUMANA INSURANCE COMPANY**  
**This is the rate filing for Humana's Small Business Products.**

**Medical Rating Formula**

The medical rates for coverage types are calculated as follows:

- 1.) Index Rate
- 2.) x Area Factor
- 3.) x Age Factor
- 4.) x Medical Plan Benefit Factor
- 5.) x Optional Riders

**Drug Rating Formula**

- 1.) Index Rate
- 2.) x Area Factor
- 3.) x Age Factor
- 4.) x Rx Plan Benefit Factor

**TABLE 1**  
Index Rates

<i><u>Date</u></i>	<i><u>Medical</u></i>	<i><u>RX</u></i>
01/01/2014	\$ 316.65	\$ 53.77
02/01/2014	\$ 316.65	\$ 53.77
03/01/2014	\$ 316.65	\$ 53.77
04/01/2014	\$ 322.05	\$ 54.69
05/01/2014	\$ 322.05	\$ 54.69
06/01/2014	\$ 322.05	\$ 54.69
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08/01/2014	\$ 327.55	\$ 55.62
09/01/2014	\$ 327.55	\$ 55.62
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11/01/2014	\$ 333.14	\$ 56.57
12/01/2014	\$ 333.14	\$ 56.57

**TABLE 2**  
Area Factors

<i><u>Rating Area</u></i>	<i><u>Medical</u></i>	<i><u>Rx</u></i>
Boulder	1.3976	1.2682
Colorado Springs	1.2282	1.2817
Denver	1.7282	1.4426
Fort Collins	2.2189	2.0132
Grand Junction	2.2189	2.0132
Greeley	2.2189	2.0132
Northeast Non-MSA	2.2189	2.0132
Pueblo	2.2189	2.0132
Resort	2.2189	2.0132
Southeast Non-MSA	2.2189	2.0132
West Non-MSA	2.2189	2.0132

**TABLE 3**

# Age Factors

<i><b>Age</b></i>	<i><b>Factor</b></i>
0-20	0.635
21	1.000
22	1.000
23	1.000
24	1.000
25	1.004
26	1.024
27	1.048
28	1.087
29	1.119
30	1.135
31	1.159
32	1.183
33	1.198
34	1.214
35	1.222
36	1.230
37	1.238
38	1.246
39	1.262
40	1.278
41	1.302
42	1.325

<i><b>Age</b></i>	<i><b>Factor</b></i>
43	1.357
44	1.397
45	1.444
46	1.500
47	1.563
48	1.635
49	1.706
50	1.786
51	1.865
52	1.952
53	2.040
54	2.135
55	2.230
56	2.333
57	2.437
58	2.548
59	2.603
60	2.714
61	2.810
62	2.873
63	2.952
64+	3.000

**Table 4**  
Medical Plan Factors

<b><i>Product Type</i></b>	<b><i>Coins</i></b>	<b><i>PCP Copay</i></b>	<b><i>PCP Ded</i></b>	<b><i>PCP OOP</i></b>	<b><i>Factor</i></b>
Trad Copay PPO	100/70	25	500	4000	0.8058
Trad Copay PPO	100/70	25	1000	4000	0.7431
Trad Copay PPO	100/70	30	1500	6400	0.6663
Trad Copay PPO	100/70	30	2000	6400	0.6271
Trad Copay PPO	100/70	35	2000	5000	0.6366
Trad Copay PPO	90/60	30	1500	6400	0.6111
Trad Copay PPO	90/60	30	2000	6400	0.5866
Trad Copay PPO	80/50	25	500	4000	0.6350
Trad Copay PPO	80/50	25	1000	4000	0.5905
Trad Copay PPO	80/50	40	1500	5000	0.5296
Trad Copay PPO	80/50	30	2000	6400	0.4941
Trad Copay PPO	80/50	30	2000	6400	0.4941
Trad Copay PPO	80/50	45	2000	5000	0.5036
Trad Copay PPO	70/50	20	1000	4000	0.5602
Trad Copay PPO	70/50	35	2000	6400	0.4689
Trad Copay PPO	70/50	40	2000	6400	0.4624
Trad Copay PPO	60/50	30	2000	6400	0.4458
Trad Copay PPO	60/50	35	2000	6400	0.4430
Trad Copay PPO	60/50	40	2000	6400	0.4377
Trad Copay PPO	50/50	25	2000	6400	0.4036
Trad Copay PPO	50/50	30	2000	6400	0.3903
Trad Copay PPO	50/50	35	2000	6400	0.3973
Trad Copay PPO	50/50	40	2000	6400	0.3916
EHDHP PPO	100/70	0	2000	2000	0.8766
EHDHP PPO	90/60	0	5000	6400	0.5714
EHDHP PPO	80/50	0	2000	6400	0.6548
EHDHP PPO	80/50	0	4000	6400	0.5232
EHDHP PPO	80/50	0	5000	6400	0.4870
EHDHP PPO	70/50	0	1500	6400	0.6335
EHDHP PPO	70/50	0	3500	6400	0.5175
HDHP PPO	100/70	0	1750	1750	0.8937
HDHP PPO	100/70	0	5500	5000	0.5615
HDHP PPO	80/50	0	1500	6400	0.6888
HDHP PPO	80/50	0	4000	6400	0.5081
EHDHP Walmart/CVS PPO	100/70	0	2000	2000	0.8678
EHDHP Walmart/CVS PPO	90/60	0	5000	6400	0.5656
EHDHP Walmart/CVS PPO	80/50	0	2000	6400	0.6483
EHDHP Walmart/CVS PPO	80/50	0	4000	6400	0.5180



<b><i>Product Type</i></b>	<b><i>Coins</i></b>	<b><i>PCP Copay</i></b>	<b><i>PCP Ded</i></b>	<b><i>PCP OOP</i></b>	<b><i>Factor</i></b>
EHDHP Walmart/CVS PPO	80/50	0	5000	6400	0.4821
EHDHP Walmart/CVS PPO	70/50	0	1500	6400	0.6271
EHDHP Walmart/CVS PPO	70/50	0	3500	6400	0.5123
HDHP Walmart/CVS PPO	100/70	0	1750	1750	0.8847
HDHP Walmart/CVS PPO	100/70	0	5500	5000	0.5559
HDHP Walmart/CVS PPO	80/50	0	1500	6400	0.6819
HDHP Walmart/CVS PPO	80/50	0	4000	6400	0.5031
Simplicity PPO	100/70	30	0	6400	0.6533
Simplicity PPO	100/70	45	0	6400	0.4725
Simplicity PPO	100/70	50	0	6400	0.3975
Coins PPO	80/50	0	2000	5000	0.5046
Coins PPO	70/50	0	1500	5000	0.5001
Coins PPO	70/50	0	5000	6400	0.3634
Indemnity	80/50	0	2000	5000	0.8413

**TABLE 5**  
Optional Riders

Carry Over Credit	1.0340
-------------------	--------

**TABLE 6**  
Rx Plan Benefit Factors

<b><u>Rx Plan</u></b>	<b><u>Rx Plan Benefit Factor</u></b>	<b><u>Walmart/CVS Rx Plan Benefit Factor</u></b>
Rx4 10/35/55/25% Simplicity	0.8530	0.7677
Rx4 10/45/90/25% Simplicity	0.7256	0.6530
Rx4 10/40/70/25% Simplicity	0.7908	0.7117
Rx4 10/30/50/25%	0.8906	0.8015
Rx4 10/30/50/25% 100 ded	0.8032	0.7229
Rx4 10/35/50/25% 100 ded	0.7805	0.7024
Rx4 10/35/55/25%	0.8507	0.7656
Rx4 10/35/55/25% 250 ded	0.6783	0.6105
Rx4 10/35/70/25% 250 ded	0.6458	0.5813
Rx4 10/35/75/25%	0.8029	0.7226
Rx4 10/40/70/25% with 3500 OOP	0.8136	0.7322
Rx4 10/40/70/25% 250 ded	0.6270	0.5643
Rx4 10/45/70/25%	0.7713	0.6942
Rx4 10/45/75/25%	0.7571	0.6813
Rx4 10/45/75/25% 100 ded	0.6805	0.6124
Rx4 10/45/90/25%	0.7236	0.6513
Rx4 10/45/90/25% 100 ded	0.6498	0.5848
Rx4 10/45/90/25%	0.7236	0.6513
Rx4 10/45/90/25% 100 ded	0.6498	0.5848

Humana Health Plan - Side by Side Comparison

Exhibit I.

Medical Index Rates for CO Small Group Business

<u>Date</u>	<u>Current Index Rate</u>	<u>Proposed Rate</u>	<u>% Change From Current</u>	<u>% Monthly Change</u>
01/01/2014	NA	316.65	NA	NA
02/01/2014	NA	316.65	NA	0.0%
03/01/2014	NA	316.65	NA	0.0%
04/01/2014	NA	322.05	NA	1.7%
05/01/2014	NA	322.05	NA	0.0%
06/01/2014	NA	322.05	NA	0.0%
07/01/2014	NA	327.55	NA	1.7%
08/01/2014	NA	327.55	NA	0.0%
09/01/2014	NA	327.55	NA	0.0%
10/01/2014	NA	333.14	NA	1.7%
11/01/2014	NA	333.14	NA	0.0%
12/01/2014	NA	333.14	NA	0.0%

Rx Index Rates for CO Small Group Business

<u>Date</u>	<u>Current Index Rate</u>	<u>Proposed Rate</u>	<u>% Change From Current</u>	<u>% Monthly Change</u>
01/01/2014	NA	53.77	NA	NA
02/01/2014	NA	53.77	NA	0.0%
03/01/2014	NA	53.77	NA	0.0%
04/01/2014	NA	54.69	NA	1.7%
05/01/2014	NA	54.69	NA	0.0%
06/01/2014	NA	54.69	NA	0.0%
07/01/2014	NA	55.62	NA	1.7%
08/01/2014	NA	55.62	NA	0.0%
09/01/2014	NA	55.62	NA	0.0%
10/01/2014	NA	56.57	NA	1.7%
11/01/2014	NA	56.57	NA	0.0%
12/01/2014	NA	56.57	NA	0.0%

Medical Plan Benefit Factors

Product Type	Coins	PCP Copay	Par Ded	Par OOP	Current Factor	Revised Factor	% Change
Trad Copay PPO	100/70	25	500	4000	NA	0.8058	NA
Trad Copay PPO	100/70	25	1000	4000	NA	0.7431	NA
Trad Copay PPO	100/70	30	1500	6400	NA	0.6663	NA
Trad Copay PPO	100/70	30	2000	6400	NA	0.6271	NA
Trad Copay PPO	100/70	35	2000	5000	NA	0.6366	NA
Trad Copay PPO	90/60	30	1500	6400	NA	0.6111	NA
Trad Copay PPO	90/60	30	2000	6400	NA	0.5866	NA
Trad Copay PPO	80/50	25	500	4000	NA	0.6350	NA
Trad Copay PPO	80/50	25	1000	4000	NA	0.5905	NA
Trad Copay PPO	80/50	40	1500	5000	NA	0.5296	NA
Trad Copay PPO	80/50	30	2000	6400	NA	0.4941	NA
Trad Copay PPO	80/50	30	2000	6400	NA	0.4941	NA
Trad Copay PPO	80/50	45	2000	5000	NA	0.5036	NA
Trad Copay PPO	70/50	20	1000	4000	NA	0.5602	NA
Trad Copay PPO	70/50	35	2000	6400	NA	0.4689	NA
Trad Copay PPO	70/50	40	2000	6400	NA	0.4624	NA
Trad Copay PPO	60/50	30	2000	6400	NA	0.4458	NA
Trad Copay PPO	60/50	35	2000	6400	NA	0.4430	NA
Trad Copay PPO	60/50	40	2000	6400	NA	0.4377	NA
Trad Copay PPO	50/50	25	2000	6400	NA	0.4036	NA
Trad Copay PPO	50/50	30	2000	6400	NA	0.3903	NA
Trad Copay PPO	50/50	35	2000	6400	NA	0.3973	NA
Trad Copay PPO	50/50	40	2000	6400	NA	0.3916	NA
EHDHP PPO	100/70	0	2000	2000	NA	0.8766	NA
EHDHP PPO	90/60	0	5000	6400	NA	0.5714	NA
EHDHP PPO	80/50	0	2000	6400	NA	0.6548	NA
EHDHP PPO	80/50	0	4000	6400	NA	0.5232	NA
EHDHP PPO	80/50	0	5000	6400	NA	0.4870	NA
EHDHP PPO	70/50	0	1500	6400	NA	0.6335	NA
EHDHP PPO	70/50	0	3500	6400	NA	0.5175	NA
HDHP PPO	100/70	0	1750	1750	NA	0.8937	NA
HDHP PPO	100/70	0	5500	5000	NA	0.5615	NA
HDHP PPO	80/50	0	1500	6400	NA	0.6888	NA

HDHP PPO	80/50	0	4000	6400	NA	0.5081	NA
EHDHP Walmart/CVS PPO	100/70	0	2000	2000	NA	0.8678	NA
EHDHP Walmart/CVS PPO	90/60	0	5000	6400	NA	0.5656	NA
EHDHP Walmart/CVS PPO	80/50	0	2000	6400	NA	0.6483	NA
EHDHP Walmart/CVS PPO	80/50	0	4000	6400	NA	0.5180	NA
EHDHP Walmart/CVS PPO	80/50	0	5000	6400	NA	0.4821	NA
EHDHP Walmart/CVS PPO	70/50	0	1500	6400	NA	0.6271	NA
EHDHP Walmart/CVS PPO	70/50	0	3500	6400	NA	0.5123	NA
HDHP Walmart/CVS PPO	100/70	0	1750	1750	NA	0.8847	NA
HDHP Walmart/CVS PPO	100/70	0	5500	5000	NA	0.5559	NA
HDHP Walmart/CVS PPO	80/50	0	1500	6400	NA	0.6819	NA
HDHP Walmart/CVS PPO	80/50	0	4000	6400	NA	0.5031	NA
Simplicity PPO	100/70	30	0	6400	NA	0.6533	NA
Simplicity PPO	100/70	45	0	6400	NA	0.4725	NA
Simplicity PPO	100/70	50	0	6400	NA	0.3975	NA
Coins PPO	80/50	0	2000	5000	NA	0.5046	NA
Coins PPO	70/50	0	1500	5000	NA	0.5001	NA
Coins PPO	70/50	0	5000	6400	NA	0.3634	NA
Indemnity	80/50	0	2000	5000	NA	0.8413	NA

#### Rx Plan Benefit Factors

Description	Current Factor	Revised Factor	% Change
Rx4 10/35/55/25%	NA	0.8530	NA
Rx4 10/45/90/25%	NA	0.7256	NA
Rx4 10/40/70/25%	NA	0.7908	NA
Rx4 10/30/50/25%	NA	0.8906	NA
Rx4 10/30/50/25% 100 ded	NA	0.8032	NA
Rx4 10/35/50/25% 100 ded	NA	0.7805	NA
Rx4 10/35/55/25%	NA	0.8507	NA
Rx4 10/35/55/25% 250 ded	NA	0.6783	NA
Rx4 10/35/70/25% 250 ded	NA	0.6458	NA
Rx4 10/35/75/25%	NA	0.8029	NA
Rx4 10/40/70/25% w/ 3500 OOP	NA	0.8136	NA
Rx4 10/40/70/25% 250 ded	NA	0.6270	NA
Rx4 10/45/70/25%	NA	0.7713	NA
Rx4 10/45/75/25%	NA	0.7571	NA
Rx4 10/45/75/25% 100 ded	NA	0.6805	NA
Rx4 10/45/90/25%	NA	0.7236	NA
Rx4 10/45/90/25% 100 ded	NA	0.6498	NA
Rx4 10/45/90/25%	NA	0.7236	NA
Rx4 10/45/90/25% 100 ded	NA	0.6498	NA
Rx4 10/35/55/25% Walmart/CVS	NA	0.7677	NA
Rx4 10/45/90/25% Walmart/CVS	NA	0.6530	NA
Rx4 10/40/70/25% Walmart/CVS	NA	0.7117	NA
Rx4 10/30/50/25% Walmart/CVS	NA	0.8015	NA
Rx4 10/30/50/25% 100 ded Walmart/CVS	NA	0.7229	NA
Rx4 10/35/50/25% 100 ded Walmart/CVS	NA	0.7024	NA
Rx4 10/35/55/25% Walmart/CVS	NA	0.7656	NA
Rx4 10/35/55/25% 250 ded Walmart/CVS	NA	0.6105	NA
Rx4 10/35/70/25% 250 ded Walmart/CVS	NA	0.5813	NA
Rx4 10/35/75/25% Walmart/CVS	NA	0.7226	NA
Rx4 10/40/70/25% w/ 3500 OOP Walmart/CVS	NA	0.7322	NA
Rx4 10/40/70/25% 250 ded Walmart/CVS	NA	0.5643	NA
Rx4 10/45/70/25% Walmart/CVS	NA	0.6942	NA
Rx4 10/45/75/25% Walmart/CVS	NA	0.6813	NA
Rx4 10/45/75/25% 100 ded Walmart/CVS	NA	0.6124	NA
Rx4 10/45/90/25% Walmart/CVS	NA	0.6513	NA
Rx4 10/45/90/25% 100 ded Walmart/CVS	NA	0.5848	NA
Rx4 10/45/90/25% Walmart/CVS	NA	0.6513	NA
Rx4 10/45/90/25% 100 ded Walmart/CVS	NA	0.5848	NA

**Medical Area Factors**

	<b><u>Current</u></b>	<b><u>Proposed</u></b>	<b><u>% Change from Current</u></b>
Boulder	NA	1.3976	NA
Colorado Springs	NA	1.2282	NA
Denver	NA	1.7282	NA
Fort Collins	NA	2.2189	NA
Grand Junction	NA	2.2189	NA
Greeley	NA	2.2189	NA
Northeast Non-MSA	NA	2.2189	NA
Pueblo	NA	2.2189	NA
Resort	NA	2.2189	NA
Southeast Non-MSA	NA	2.2189	NA
West Non-MSA	NA	2.2189	NA

**Rx Area Factors**

	<b><u>Current</u></b>	<b><u>Proposed</u></b>	<b><u>% Change from Current</u></b>
Boulder	NA	1.2682	NA
Colorado Springs	NA	1.2817	NA
Denver	NA	1.4426	NA
Fort Collins	NA	2.0132	NA
Grand Junction	NA	2.0132	NA
Greeley	NA	2.0132	NA
Northeast Non-MSA	NA	2.0132	NA
Pueblo	NA	2.0132	NA
Resort	NA	2.0132	NA
Southeast Non-MSA	NA	2.0132	NA
West Non-MSA	NA	2.0132	NA

Plan Name	Metal Tier	Rating Area	Network	Premium
Trad Copay 100/70 \$25 Copay, \$500 Ded, \$4000 OOP	Gold	Boulder	PPO	\$533.36
Trad Copay 70/50 \$20 Copay, \$1000 Ded, \$4000 OOP	Gold	Boulder	PPO	\$386.69
Trad Copay 100/70 \$30 Copay, \$1500 Ded, \$6350 OOP	Silver	Boulder	PPO	\$444.06
Trad Copay 50/50 \$30 Copay, \$2000 Ded, \$6350 OOP	Silver	Boulder	PPO	\$283.74
EHDHP 90/60 \$5000 Ded, \$6350 OOP	Bronze	Boulder	PPO	\$323.17
COINS NPOS 90/60 \$5000 Ded, \$6350 OOP	Bronze	Boulder	PPO	\$256.50
Trad Copay 100/70 \$25 Copay, \$500 Ded, \$4000 OOP	Gold	Colorado Springs	PPO	\$478.94
Trad Copay 70/50 \$20 Copay, \$1000 Ded, \$4000 OOP	Gold	Colorado Springs	PPO	\$349.03
Trad Copay 100/70 \$30 Copay, \$1500 Ded, \$6350 OOP	Silver	Colorado Springs	PPO	\$399.10
Trad Copay 50/50 \$30 Copay, \$2000 Ded, \$6350 OOP	Silver	Colorado Springs	PPO	\$257.66
EHDHP 90/60 \$5000 Ded, \$6350 OOP	Bronze	Colorado Springs	PPO	\$284.00
COINS NPOS 90/60 \$5000 Ded, \$6350 OOP	Bronze	Colorado Springs	PPO	\$232.13
Trad Copay 100/70 \$25 Copay, \$500 Ded, \$4000 OOP	Gold	Denver	PPO	\$651.84
Trad Copay 70/50 \$20 Copay, \$1000 Ded, \$4000 OOP	Gold	Denver	PPO	\$471.24
Trad Copay 100/70 \$30 Copay, \$1500 Ded, \$6350 OOP	Silver	Denver	PPO	\$542.45
Trad Copay 50/50 \$30 Copay, \$2000 Ded, \$6350 OOP	Silver	Denver	PPO	\$344.63
EHDHP 90/60 \$5000 Ded, \$6350 OOP	Bronze	Denver	PPO	\$399.62
COINS NPOS 90/60 \$5000 Ded, \$6350 OOP	Bronze	Denver	PPO	\$312.12
Trad Copay 100/70 \$25 Copay, \$500 Ded, \$4000 OOP	Gold	Remaining Regions	PPO	\$846.77
Trad Copay 70/50 \$20 Copay, \$1000 Ded, \$4000 OOP	Gold	Remaining Regions	PPO	\$613.91
Trad Copay 100/70 \$30 Copay, \$1500 Ded, \$6350 OOP	Silver	Remaining Regions	PPO	\$705.00
Trad Copay 50/50 \$30 Copay, \$2000 Ded, \$6350 OOP	Silver	Remaining Regions	PPO	\$450.47
EHDHP 90/60 \$5000 Ded, \$6350 OOP	Bronze	Remaining Regions	PPO	\$513.08
COINS NPOS 90/60 \$5000 Ded, \$6350 OOP	Bronze	Remaining Regions	PPO	\$407.22

# **HIC Small Business Non-Grandfathered Rate Manual**

**HUMANA INSURANCE COMPANY**  
**This is the rate filing for Humana's Small Business Products.**

**Medical Rating Formula**

The medical rates for coverage types are calculated as follows:

- 1.) Index Rate
- 2.) x Area Factor
- 3.) x Age Factor
- 4.) x Medical Plan Benefit Factor
- 5.) x Optional Riders

**Drug Rating Formula**

- 1.) Index Rate
- 2.) x Area Factor
- 3.) x Age Factor
- 4.) x Rx Plan Benefit Factor

**TABLE 1**  
Index Rates

<i><u>Date</u></i>	<i><u>Medical</u></i>	<i><u>RX</u></i>
01/01/2014	\$ 316.65	\$ 53.77
02/01/2014	\$ 316.65	\$ 53.77
03/01/2014	\$ 316.65	\$ 53.77
04/01/2014	\$ 322.05	\$ 54.69
05/01/2014	\$ 322.05	\$ 54.69
06/01/2014	\$ 322.05	\$ 54.69
07/01/2014	\$ 327.55	\$ 55.62
08/01/2014	\$ 327.55	\$ 55.62
09/01/2014	\$ 327.55	\$ 55.62
10/01/2014	\$ 333.14	\$ 56.57
11/01/2014	\$ 333.14	\$ 56.57
12/01/2014	\$ 333.14	\$ 56.57

**TABLE 2**  
Area Factors

<i><u>Rating Area</u></i>	<i><u>Medical</u></i>	<i><u>Rx</u></i>
Boulder	1.3976	1.2682
Colorado Springs	1.2282	1.2817
Denver	1.7282	1.4426
Fort Collins	2.2189	2.0132
Grand Junction	2.2189	2.0132
Greeley	2.2189	2.0132
Northeast Non-MSA	2.2189	2.0132
Pueblo	2.2189	2.0132
Resort	2.2189	2.0132
Southeast Non-MSA	2.2189	2.0132
West Non-MSA	2.2189	2.0132

**TABLE 3**



# Age Factors

<i><b>Age</b></i>	<i><b>Factor</b></i>
0-20	0.635
21	1.000
22	1.000
23	1.000
24	1.000
25	1.004
26	1.024
27	1.048
28	1.087
29	1.119
30	1.135
31	1.159
32	1.183
33	1.198
34	1.214
35	1.222
36	1.230
37	1.238
38	1.246
39	1.262
40	1.278
41	1.302
42	1.325

<i><b>Age</b></i>	<i><b>Factor</b></i>
43	1.357
44	1.397
45	1.444
46	1.500
47	1.563
48	1.635
49	1.706
50	1.786
51	1.865
52	1.952
53	2.040
54	2.135
55	2.230
56	2.333
57	2.437
58	2.548
59	2.603
60	2.714
61	2.810
62	2.873
63	2.952
64+	3.000

**Table 4**  
Medical Plan Factors

<b><i>Product Type</i></b>	<b><i>Coins</i></b>	<b><i>PCP Copay</i></b>	<b><i>PCP Ded</i></b>	<b><i>PCP OOP</i></b>	<b><i>Factor</i></b>
Trad Copay PPO	100/70	25	500	4000	0.8058
Trad Copay PPO	100/70	25	1000	4000	0.7431
Trad Copay PPO	100/70	30	1500	6400	0.6663
Trad Copay PPO	100/70	30	2000	6400	0.6271
Trad Copay PPO	100/70	35	2000	5000	0.6366
Trad Copay PPO	90/60	30	1500	6400	0.6111
Trad Copay PPO	90/60	30	2000	6400	0.5866
Trad Copay PPO	80/50	25	500	4000	0.6350
Trad Copay PPO	80/50	25	1000	4000	0.5905
Trad Copay PPO	80/50	40	1500	5000	0.5296
Trad Copay PPO	80/50	30	2000	6400	0.4941
Trad Copay PPO	80/50	30	2000	6400	0.4941
Trad Copay PPO	80/50	45	2000	5000	0.5036
Trad Copay PPO	70/50	20	1000	4000	0.5602
Trad Copay PPO	70/50	35	2000	6400	0.4689
Trad Copay PPO	70/50	40	2000	6400	0.4624
Trad Copay PPO	60/50	30	2000	6400	0.4458
Trad Copay PPO	60/50	35	2000	6400	0.4430
Trad Copay PPO	60/50	40	2000	6400	0.4377
Trad Copay PPO	50/50	25	2000	6400	0.4036
Trad Copay PPO	50/50	30	2000	6400	0.3903
Trad Copay PPO	50/50	35	2000	6400	0.3973
Trad Copay PPO	50/50	40	2000	6400	0.3916
EHDHP PPO	100/70	0	2000	2000	0.8766
EHDHP PPO	90/60	0	5000	6400	0.5714
EHDHP PPO	80/50	0	2000	6400	0.6548
EHDHP PPO	80/50	0	4000	6400	0.5232
EHDHP PPO	80/50	0	5000	6400	0.4870
EHDHP PPO	70/50	0	1500	6400	0.6335
EHDHP PPO	70/50	0	3500	6400	0.5175
HDHP PPO	100/70	0	1750	1750	0.8937
HDHP PPO	100/70	0	5500	5000	0.5615
HDHP PPO	80/50	0	1500	6400	0.6888
HDHP PPO	80/50	0	4000	6400	0.5081
EHDHP Walmart/CVS PPO	100/70	0	2000	2000	0.8678
EHDHP Walmart/CVS PPO	90/60	0	5000	6400	0.5656
EHDHP Walmart/CVS PPO	80/50	0	2000	6400	0.6483
EHDHP Walmart/CVS PPO	80/50	0	4000	6400	0.5180

<b><i>Product Type</i></b>	<b><i>Coins</i></b>	<b><i>PCP Copay</i></b>	<b><i>PCP Ded</i></b>	<b><i>PCP OOP</i></b>	<b><i>Factor</i></b>
EHDHP Walmart/CVS PPO	80/50	0	5000	6400	0.4821
EHDHP Walmart/CVS PPO	70/50	0	1500	6400	0.6271
EHDHP Walmart/CVS PPO	70/50	0	3500	6400	0.5123
HDHP Walmart/CVS PPO	100/70	0	1750	1750	0.8847
HDHP Walmart/CVS PPO	100/70	0	5500	5000	0.5559
HDHP Walmart/CVS PPO	80/50	0	1500	6400	0.6819
HDHP Walmart/CVS PPO	80/50	0	4000	6400	0.5031
Simplicity PPO	100/70	30	0	6400	0.6533
Simplicity PPO	100/70	45	0	6400	0.4725
Simplicity PPO	100/70	50	0	6400	0.3975
Coins PPO	80/50	0	2000	5000	0.5046
Coins PPO	70/50	0	1500	5000	0.5001
Coins PPO	70/50	0	5000	6400	0.3634
Indemnity	80/50	0	2000	5000	0.8413

**TABLE 5**  
Optional Riders

Carry Over Credit	1.0340
Women's Preventive Religious Contraceptive Opt-Out Non-HDHP	0.9897
Women's Preventive Religious Contraceptive Opt-Out HDHP	0.9900

**TABLE 6**  
Rx Plan Benefit Factors

<b><u>Rx Plan</u></b>	<b><u>Rx Plan Benefit Factor</u></b>	<b><u>Walmart/CVS Rx Plan Benefit Factor</u></b>
Rx4 10/35/55/25% Simplicity	0.8530	0.7677
Rx4 10/45/90/25% Simplicity	0.7256	0.6530
Rx4 10/40/70/25% Simplicity	0.7908	0.7117
Rx4 10/30/50/25%	0.8906	0.8015
Rx4 10/30/50/25% 100 ded	0.8032	0.7229
Rx4 10/35/50/25% 100 ded	0.7805	0.7024
Rx4 10/35/55/25%	0.8507	0.7656
Rx4 10/35/55/25% 250 ded	0.6783	0.6105
Rx4 10/35/70/25% 250 ded	0.6458	0.5813
Rx4 10/35/75/25%	0.8029	0.7226
Rx4 10/40/70/25% with 3500 OOP	0.8136	0.7322
Rx4 10/40/70/25% 250 ded	0.6270	0.5643
Rx4 10/45/70/25%	0.7713	0.6942
Rx4 10/45/75/25%	0.7571	0.6813
Rx4 10/45/75/25% 100 ded	0.6805	0.6124
Rx4 10/45/90/25%	0.7236	0.6513
Rx4 10/45/90/25% 100 ded	0.6498	0.5848
Rx4 10/45/90/25%	0.7236	0.6513
Rx4 10/45/90/25% 100 ded	0.6498	0.5848

**ACTUARIAL MEMORANDUM**

Pursuant to Colorado Regulation 4-2-11 Section 6, rate filings must contain an Actuarial Memorandum. The Division of Insurance developed this template and table General filing requirements, Actuarial Certification requirements, and submission requirements are identified in Section 5 of Colorado Regulation without ALL requirements of the regulations could be disapproved or rejected by the Colorado Division of Insurance.

Company:	Humana Insurance Company
NAIC #:	73288
SERFF Filing #:	129002825
SERFF Binder Filing #:	N/A

**A: SUMMARY**

1. Reason(s):	This is a new rate filing.
2. Requested Rate Action:	This filing has been prepared to request approval of 2014 Index Rates and ACA compliant products.
3. Marketing method(s):	Agency/Broker
4. Premium Classification(s):	Premiums are defined by the group characteristics, product benefits, network, and location based on the eleven prescribed regions.
5. Product Description(s):	All PPO and Indemnity Products
6. Policy/Rider Impacted:	N/A
7. Age Basis:	Premiums are charged based on age at renewal.
8. Renewability provision:	All policies are guaranteed renewable at a date one year from when coverage began except only when a group has been terminated for non payment or fraud.
Additional Information:	

**B. ASSUMPTION, MERGER OR ACQUISITION**

1. Is product part of assumption, acquisition, or merger (from or with another company)?	No
Assumption:	No
Acquisition:	No
Merger:	No
2. If yes, provide name of company(s):	N/A
3. Closing Date of assumption, merger or acquisition:	N/A
Additional Information:	

**C. RATING PERIOD**

Proposed Effective Date: (may not say "upon approval")	01/01/2014
Rating Period:	Annual
Rating Period Dates:	01/01/2014 to 12/31/2014

**D. EFFECT OF LAW CHANGES**

Identify and quantify changes resulting from mandated benefits and other law changes:	The percent of claims represented by newly added benefits which are Essential Health Benefits is 0.91% which is comprised of the following services: Pediatric dental/vision (0.59%), Oral surgery for bony teeth and necessary orthodontia (0.07%), Private duty nursing (0.2%), and Chiropractic therapies (0.05%).
Additional Information:	

**E. RATE HISTORY**

Provide rate changes made in at least the last three years (If available)	N/A
N/A (Initial Filing)	

<b>F: COORDINATION OF BENEFITS</b>		
Provides actual loss experience net of any savings:		
Additional Information:		
<b>G. RELATIONSHIP OF BENEFITS TO PREMIUM</b>		
Description	Percentage	
Commissions	5.30%	
General expenses	8.11%	
Premium taxes	0.44%	
Profit/Contingencies	2.20%	
PPACA Fees	3.95%	
Exchange Fees	0.00%	
Investment Income	0.00%	
Other		
Total Retention:	20%	
Targeted Loss Ratio:	80%	
<b>H. PROVISION FOR PROFIT AND CONTINGENCIES</b>		
1. Provision for Profit and Contingencies:	%	Pre-FIT After tax
		2.2%
2. Proposed load in excess of 7% after tax.		0.0%
Provide detailed support:		
Additional Information:	Investment income has been considered in the rate making process and is used as a contingency margin in areas where HHP has been unable to achieve a 2.2% profit margin	
<b>I. DETERMINATION OF PROPOSED RATES</b>		
Include all underlying rating assumptions, with detailed support for each assumption. This explanation may be on an aggregate expected loss basis or as a per-member-per-month (PMPM) basis. (this can be attached with support in a pdf document)		
1. Explain, in detail, how rates and/or rate changes were developed:	The estimated index rate is calculated as the average claims PMPM amount, adjusted for expected risk adjustment transfer. Quarterly trend is applied on a quarterly basis, therefore there will be a new index rate every three months.	
2. Provide adequate support for all assumptions and methodologies used:	Please see the Unified Rate Review Template for details.	
<b>J. TREND</b>		
Additional support and information must be provided on the "Historical Trend" and "Normalized Trend" tabs		
Itemized trend component	Trend (%)	
<b>MEDICAL TREND (total)</b>		
Medical provider price increase		
Utilization changes		
Medical cost shifting		
Medical procedures and new technology		
<b>INSURANCE TREND (total)</b>		
Underwriting wearoff		
Deductible leveraging		
Anti-selection		
<b>PHARMACEUTICAL TREND (total)</b>		
Price increases		
Utilization changes		
Cost shifting		
Introduction of new brand and generic drugs		
<b>TOTAL AVERAGE ANNUALIZED TREND (required)</b>	7.00%	
Additional information:		
<b>K. CREDIBILITY</b>		

1. Credibility Percentage (Colorado Only):	% If other, please specify
The above credibility percentage is based upon:	<input checked="" type="checkbox"/> Life Years <input type="checkbox"/> Claims
Other (please specify)	
2. Number of years of data used to calculate above credibility percentage:	1
3. Discuss how and if aggregated data meets the Colorado credibility requirement and how the rating methodology was modified for the partially credible data, if applicable.	N/A
Additional Information: (including collateral data, if used)	Non-grandfathered HHP small group block Humana had 121,277 member months in the experience period, which is a sufficient block to be fully credible based on Colorado's definition of credibility based on 2,000 life years.
<b>L. DATA REQUIREMENTS</b>	
	Complete tab "Data Requirements"
<b>M. SIDE-BY-SIDE COMPARISON</b>	
	Complete tab "Side by Side Comparison"
<b>N. BENEFITS RATIO PROJECTIONS</b>	
	Complete tab "Projected Benefits Ratio"
<b>O. OTHER FACTORS</b>	
Identify and provide support for other rating factors and definitions, including area factors, age factors, gender factors, etc.:	<p>Age Factors - The prescribed standardized factors as mandated by the federal government were used.</p> <p>Area Factors - The area factors utilize the eleven standardized geographic regions set forth by the state of Colorado. Humana assumed the distribution of business through geographical areas would remain the same as in the base experience period. A review of unit cost and provider practice patterns was completed with the variance of the regions being embedded with the area rating factors.</p> <p>Network Factors - The network factors reflect the estimated cost differences between differences in utilization management, reimbursement levels, and discounts between provider networks.</p>
Additional Information:	

<b>L DATA REQUIREMENTS</b>								
Colorado-only basis for at least 3 years. <b>Include</b> national, regional or other appropriate basis, if the Colorado data is not fully credible. The experience period must include consecutive data no older than 9 months prior to the proposed effective date.								
COLORADO								
Year*	Earned Premium	Incurred Claims	Total Estimated Incurred Claims	Total Estimated IBNR Claims	Loss Ratio	Average Covered Lives	Number of Claims	Colorado On Rate Level Premium
2010	\$ 10,628,488	\$ 8,213,619	\$ 8,213,619	\$ -	77%	2,617	568,011	\$ 12,181,261.85
2011	\$ 29,043,102	\$ 21,030,071	\$ 21,030,071	\$ -	72%	7,102	656,278	\$ 31,007,142.30
2012	\$ 43,017,352	\$ 33,344,074	\$ 32,943,944	\$ 400,129	78%	10,166	910,003	\$ 43,017,352.47
2013	\$ 4,141,489	\$ 2,573,205	\$ 2,362,202	\$ 211,003	62%	11,380	74,705	NA
*This column should be Calendar Year. If fractional year is used, identify period as MM/YYYY – MM/YYYY								
Above data is for:	N/A Existing Product Comparable Product <input checked="" type="checkbox"/> Other _____(please specify)							
OTHER DATA								
Year	Earned Premium	Incurred Claims	Total Estimated Incurred Claims	Total Estimated IBNR Claims	Average Covered Lives	Number of Claims		
2010								
2011								
2012								
2013								
Above data is for: <input type="checkbox"/>	N/A Existing Product Comparable Product National Other (please specify)							
Experience Period: (From _____ to _____)								
Additional Information:								



M. SIDE-BY-SIDE COMPARISON			
N/A			
If the proposed rating factor(s) are new, the memorandum must specifically so state, and provide detailed support for each of the factors.			
Description	Current Rate/ Rating Factor/ Rating Variable	Proposed Rate/ Rating Factor/Rating Variable	Percentage Increase/ Decrease
If the above table is not used, please identify the location of the Side-by-Side Comparison in the rate filing:		The side-by-side comparison has been attached as Exhibit I.	
Description and detailed support for new rating factor(s):			
Additional Information:			

N. PROJECTED EXPERIENCE FOR RATING PERIOD			
	Premiums	Incurred Claims	Benefits Ratio
Projected Experience Without Rate Change			
Projected Experience With Rate Change			
Additional Information	Projected benefit ratios are not applicable for new products where there is no experience period.		

			Medical		Pharmacy		Medical	Pharmacy	Total
Row #	Month	Members	Total	Estimated	Total	Estimated	12-Month	12-Month	12-Month
			Incurred Claims	IBNR Claims	Incurred Claims	IBNR Claims	pmpm Trend	pmpm Trend	pmpm Trend
1	Feb-09								
2	Mar-09								
3	Apr-09								
4	May-09								
5	Jun-09								
6	Jul-09								
7	Aug-09								
8	Sep-09								
9	Oct-09								
10	Nov-09								
11	Dec-09								
12	Jan-10	1,113	\$296,460	\$0	\$45,142	\$0			
13	Feb-10	959	\$127,784	\$0	\$37,273	\$0			
14	Mar-10	57	\$28,074	\$0	\$2,311	\$0			
15	Apr-10	755	\$120,611	\$0	\$15,561	\$0			
16	May-10	1,468	\$259,943	\$0	\$61,037	\$0			
17	Jun-10	2,348	\$581,303	\$0	\$92,987	\$0			
18	Jul-10	2,953	\$1,308,132	\$0	\$136,409	\$0			
19	Aug-10	3,588	\$954,563	\$0	\$161,059	\$0			
20	Sep-10	3,904	\$1,055,175	\$0	\$172,696	\$0			
21	Oct-10	4,191	\$1,044,489	\$0	\$194,594	\$0			
22	Nov-10	4,516	\$990,902	\$0	\$200,934	\$0			
23	Dec-10	5,171	\$1,427,796	\$0	\$253,607	\$0			
24	Jan-11	6,022	\$1,142,170	\$125	\$219,217	\$0	\$264.17	\$44.28	\$308.44
25	Feb-11	6,079	\$1,238,873	\$123	\$226,399	\$0	\$251.61	\$43.07	\$294.69
26	Mar-11	6,537	\$1,649,581	\$222	\$260,733	\$0	\$247.30	\$42.31	\$289.60
27	Apr-11	6,785	\$1,140,186	\$187	\$259,522	\$0	\$247.70	\$41.98	\$289.67
28	May-11	6,860	\$2,062,605	\$293	\$313,659	\$3	\$238.85	\$41.81	\$280.65
29	Jun-11	7,075	\$1,618,535	\$319	\$335,251	\$3	\$247.58	\$42.27	\$289.85
30	Jul-11	7,092	\$1,880,805	\$475	\$302,440	\$2	\$245.49	\$42.93	\$288.42
31	Aug-11	7,207	\$1,794,261	\$705	\$318,590	\$24	\$238.95	\$42.76	\$281.71
32	Sep-11	7,588	\$1,750,270	\$613	\$420,837	\$33	\$238.60	\$42.80	\$281.40
33	Oct-11	7,646	\$2,104,872	\$835	\$372,242	\$28	\$236.15	\$44.00	\$280.16
34	Nov-11	7,972	\$1,933,366	\$1,027	\$404,867	\$32	\$239.26	\$44.33	\$283.59
35	Dec-11	8,366	\$2,739,063	\$2,232	\$392,903	\$30	\$240.67	\$44.95	\$285.62
36	Jan-12	9,273	\$2,635,762	\$2,842	\$359,602	\$26	\$247.04	\$44.90	\$291.93
37	Feb-12	9,476	\$3,090,518	\$3,180	\$414,111	\$32	\$254.84	\$44.84	\$299.67
38	Mar-12	9,638	\$2,836,074	\$3,906	\$441,469	\$33	\$265.57	\$45.22	\$310.79
39	Apr-12	9,931	\$2,694,559	\$5,275	\$497,106	\$39	\$269.39	\$45.65	\$315.04
40	May-12	10,079	\$2,730,940	\$7,999	\$480,690	\$37	\$276.60	\$46.61	\$323.20
41	Jun-12	10,079	\$2,325,733	\$17,010	\$455,761	\$34	\$274.40	\$46.77	\$321.18
42	Jul-12	10,086	\$2,242,479	\$14,719	\$444,647	\$38	\$273.28	\$46.58	\$319.86
43	Aug-12	10,286	\$2,525,395	\$14,953	\$482,812	\$44	\$269.03	\$46.61	\$315.64
44	Sep-12	10,587	\$2,616,130	\$18,172	\$467,060	\$89	\$268.15	\$46.79	\$314.94
45	Oct-12	10,807	\$3,182,704	\$31,146	\$549,469	\$154	\$268.69	\$45.96	\$314.66
46	Nov-12	10,845	\$3,365,507	\$64,216	\$527,443	\$333	\$270.65	\$46.24	\$316.89
47	Dec-12	10,910	\$3,033,869	\$72,079	\$574,481	\$478	\$276.13	\$46.15	\$322.29
48	Jan-13	11,385	\$2,600,714	\$106,651	\$443,122	\$498	\$272.79	\$46.68	\$319.47

			Medical		Pharmacy		One Year Trends		
Start Month	End Month	Members Months	Total Incurred Claims	Estimated IBNR Claims	Total Incurred Claims	Estimated IBNR Claims	Medical Trend	Pharmacy Trend	Total Trend
Feb-09	Jan-10	2,072	424,244	0	82,415	0			
Feb-10	Jan-11	41,052	10,152,030	248	1,736,811	0			
Feb-11	Jan-12	91,877	24,399,822	12,929	4,154,754	212			
Feb-12	Jan-13	114,633	30,154,106	356,126	5,364,061	1,777			

			Medical	Pharmacy	Medical	Pharmacy	Total
			Normalized	Normalized	12-Month	12-Month	12-Month
Row #	Month	Members	Incurred Claims	Incurred Claims	pmpm Trend	pmpm Trend	pmpm Trend
1	Feb-09						
2	Mar-09						
3	Apr-09						
4	May-09				1.025		
5	Jun-09						
6	Jul-09						
7	Aug-09						
8	Sep-09						
9	Oct-09						
10	Nov-09	Data Available Quarterly PMPM					
11	Dec-09						
12	Jan-10	1,113	\$253	\$51			
13	Feb-10	959	\$253	\$51			
14	Mar-10	57	\$253	\$51			
15	Apr-10	755	\$269	\$53			
16	May-10	1,468	\$269	\$53			
17	Jun-10	2,348	\$269	\$53			
18	Jul-10	2,953	\$297	\$55			
19	Aug-10	3,588	\$297	\$55			
20	Sep-10	3,904	\$297	\$55			
21	Oct-10	4,191	\$316	\$61			
22	Nov-10	4,516	\$316	\$61			
23	Dec-10	5,171	\$316	\$61			
24	Jan-11	6,022	\$281	\$58	\$ 298	\$ 57	\$ 356
25	Feb-11	6,079	\$281	\$58	\$ 297	\$ 58	\$ 354
26	Mar-11	6,537	\$281	\$58	\$ 296	\$ 58	\$ 353
27	Apr-11	6,785	\$286	\$61	\$ 294	\$ 58	\$ 351
28	May-11	6,860	\$286	\$61	\$ 293	\$ 58	\$ 351
29	Jun-11	7,075	\$286	\$61	\$ 293	\$ 59	\$ 351
30	Jul-11	7,092	\$318	\$64	\$ 293	\$ 59	\$ 352
31	Aug-11	7,207	\$318	\$64	\$ 295	\$ 60	\$ 355
32	Sep-11	7,588	\$318	\$64	\$ 297	\$ 60	\$ 358
33	Oct-11	7,646	\$312	\$64	\$ 300	\$ 61	\$ 361
34	Nov-11	7,972	\$310	\$66	\$ 300	\$ 61	\$ 361
35	Dec-11	8,366	\$310	\$66	\$ 300	\$ 62	\$ 362
36	Jan-12	9,273	\$352	\$62	\$ 300	\$ 62	\$ 362
37	Feb-12	9,476	\$352	\$62	\$ 307	\$ 62	\$ 369
38	Mar-12	9,638	\$352	\$62	\$ 313	\$ 63	\$ 376
39	Apr-12	9,931	\$306	\$63	\$ 319	\$ 63	\$ 382
40	May-12	10,079	\$306	\$63	\$ 320	\$ 63	\$ 383
41	Jun-12	10,079	\$306	\$63	\$ 321	\$ 63	\$ 384
42	Jul-12	10,086	\$297	\$61	\$ 322	\$ 63	\$ 386
43	Aug-12	10,286	\$297	\$61	\$ 320	\$ 63	\$ 383
44	Sep-12	10,587	\$297	\$61	\$ 318	\$ 63	\$ 381
45	Oct-12	10,807	\$326	\$66	\$ 316	\$ 63	\$ 379
46	Nov-12	10,845	\$326	\$66	\$ 317	\$ 63	\$ 380
47	Dec-12	10,910	\$326	\$66	\$ 318	\$ 63	\$ 382
48	Jan-13	11,385	\$366	\$63	\$ 320	\$ 63	\$ 383

One Year Trends							
Start Month	End Month	Members Months	Medical Total Incurred Claims	Pharmacy Total Incurred Claims	Medical Trend	Pharmacy Trend	Total Trend
Feb-09	Jan-10	1,113	253	51			
Feb-10	Jan-11	35,932	3,433	668			
Feb-11	Jan-12	88,480	3,657	747			
Feb-12	Jan-13	124,109	3,857	759			

**Rating Sample - CO Humana Insurance Company**

**Boulder (GOLD)**

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	1.5373	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.8058	Trad Copay 100/70 \$25 Copay, \$500 Ded, \$4000 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 501.30	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	1.446	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0.8906	Rx4 10/30/50/25%
Total Drug Rate	\$ 88.50	
Total Rate	\$ 589.79	

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	1.5373	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.5602	Trad Copay 70/50 \$20 Copay, \$1000 Ded, \$4000 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 348.51	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	1.446	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0.8015	Rx4 10/30/50/25% Walmart/CVS
Total Drug Rate	\$ 79.64	
Total Rate	\$ 428.15	

**Boulder (SILVER)**

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	1.5373	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.6663	Trad Copay 100/70 \$30 Copay, \$1500 Ded, \$6350 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 414.51	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	1.446	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0.7713	Rx4 10/45/70/25%
Total Drug Rate	\$ 76.64	
Total Rate	\$ 491.15	

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	1.5373	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.3903	Trad Copay 50/50 \$30 Copay, \$2000 Ded, \$6350 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 242.81	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	1.446	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0.7229	Rx4 10/30/50/25% \$100 Ded Walmart/CVS
Total Drug Rate	\$ 71.83	
Total Rate	\$ 314.64	

**Boulder (BRONZE)**

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	1.5373	Boulder Medical Area Factor

**Colorado Springs (GOLD)**

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	1.3845	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.8058	Trad Copay 100/70 \$25 Copay, \$500 Ded, \$4000 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 451.47	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	1.4613	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0.8906	Rx4 10/30/50/25%
Total Drug Rate	\$ 89.43	
Total Rate	\$ 540.90	

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	1.3845	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.5602	Trad Copay 70/50 \$20 Copay, \$1000 Ded, \$4000 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 313.87	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	1.4613	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0.8015	Rx4 10/30/50/25% Walmart/CVS
Total Drug Rate	\$ 80.48	
Total Rate	\$ 394.35	

**Colorado Springs (SILVER)**

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	1.3845	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.6663	Trad Copay 100/70 \$30 Copay, \$1500 Ded, \$6350 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 373.31	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	1.4613	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0.7713	Rx4 10/45/70/25%
Total Drug Rate	\$ 77.45	
Total Rate	\$ 450.77	

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	1.3845	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.3903	Trad Copay 50/50 \$30 Copay, \$2000 Ded, \$6350 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 218.68	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	1.4613	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0.7229	Rx4 10/30/50/25% \$100 Ded Walmart/CVS
Total Drug Rate	\$ 72.59	
Total Rate	\$ 291.27	

**Colorado Springs (BRONZE)**

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	1.3845	Boulder Medical Area Factor

Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.5714	EHDHP 90/60 \$5000 Ded, \$6350 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 355.48	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	1.446	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0	
Total Drug Rate	\$ -	
Total Rate	\$ 355.48	

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	1.5373	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.3634	COINS NPOS 90/60 \$5000 Ded, \$6350 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 226.08	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	1.446	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0.5848	Rx4 10/45/90/25% 100 ded
Total Drug Rate	\$ 58.11	
Total Rate	\$ 284.19	

Denver (GOLD)

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	1.367	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.8058	Trad Copay 100/70 \$25 Copay, \$500 Ded, \$4000 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 445.77	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	1.6447	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0.8906	Rx4 10/30/50/25%
Total Drug Rate	\$ 100.66	
Total Rate	\$ 546.42	

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	1.367	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.5602	Trad Copay 70/50 \$20 Copay, \$1000 Ded, \$4000 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 309.90	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	1.6447	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0.8015	Rx4 10/30/50/25% Walmart/CVS
Total Drug Rate	\$ 90.59	
Total Rate	\$ 400.49	

Denver (SILVER)

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	1.367	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.6663	Trad Copay 100/70 \$30 Copay, \$1500 Ded, \$6350 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 368.59	

Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.5714	EHDHP 90/60 \$5000 Ded, \$6350 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 320.14	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	1.4613	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0	
Total Drug Rate	\$ -	
Total Rate	\$ 320.14	

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	1.3845	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.3634	COINS NPOS 90/60 \$5000 Ded, \$6350 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 203.60	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	1.4613	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0.5848	Rx4 10/45/90/25% 100 ded
Total Drug Rate	\$ 58.72	
Total Rate	\$ 262.33	

Remaining Regions (GOLD)

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	2.5298	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.8058	Trad Copay 100/70 \$25 Copay, \$500 Ded, \$4000 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 824.94	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	2.2952	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0.8906	Rx4 10/30/50/25%
Total Drug Rate	\$ 140.47	
Total Rate	\$ 965.41	

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	2.5298	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.5602	Trad Copay 70/50 \$20 Copay, \$1000 Ded, \$4000 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 573.51	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	2.2952	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0.8015	Rx4 10/30/50/25% Walmart/CVS
Total Drug Rate	\$ 126.41	
Total Rate	\$ 699.92	

Remaining Regions (SILVER)

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	2.5298	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.6663	Trad Copay 100/70 \$30 Copay, \$1500 Ded, \$6350 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 682.13	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	1.6447	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0.7713	Rx4 10/45/70/25%
Total Drug Rate	\$ 87.17	
Total Rate	\$ 455.77	

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	1.367	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.3903	Trad Copay 50/50 \$30 Copay, \$2000 Ded, \$6350 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 215.91	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	1.6447	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0.7229	Rx4 10/30/50/25% \$100 Ded Walmart/CVS
Total Drug Rate	\$ 81.70	
Total Rate	\$ 297.61	

Denver (BRONZE)

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	1.367	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.5714	EHDHP 90/60 \$5000 Ded, \$6350 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 316.10	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	1.6447	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0	
Total Drug Rate	\$ -	
Total Rate	\$ 316.10	

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	1.367	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.3634	COINS NPOS 90/60 \$5000 Ded, \$6350 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 201.03	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	1.6447	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0.5848	Rx4 10/45/90/25% 100 ded
Total Drug Rate	\$ 66.09	
Total Rate	\$ 267.13	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	2.2952	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0.7713	Rx4 10/45/70/25%
Total Drug Rate	\$ 121.65	
Total Rate	\$ 803.78	

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	2.5298	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.3903	Trad Copay 50/50 \$30 Copay, \$2000 Ded, \$6350 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 399.57	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	2.2952	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0.7229	Rx4 10/30/50/25% \$100 Ded Walmart/CVS
Total Drug Rate	\$ 114.02	
Total Rate	\$ 513.59	

Remaining Regions (BRONZE)

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	2.5298	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.5714	EHDHP 90/60 \$5000 Ded, \$6350 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 584.97	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	2.2952	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0	
Total Drug Rate	\$ -	
Total Rate	\$ 584.97	

**Medical Rate**

Index Rate	\$ 316.65	January 2014 Index Rate
Area Factor	2.5298	Boulder Medical Area Factor
Age Factor	1.278	40 Male Non-Smoker
Medical Plan Factor	0.3634	COINS NPOS 90/60 \$5000 Ded, \$6350 OOP
Optional Rider	1	None Selected
Total Medical Rate	\$ 372.03	

**Drug Rate**

Index Rate	\$ 53.77	January 2014 Index Rate
Area Factor	2.2952	Boulder Rx Area Factor
Age Factor	1.278	40 Male Non-Smoker
Rx Plan Factor	0.5848	Rx4 10/45/90/25% 100 ded
Total Drug Rate	\$ 92.24	
Total Rate	\$ 464.27	

**State Of Colorado**  
**Health Rate Filing Form**  
**Form HR-1**

**Reset Form**

<b>Must Be Completed For All Products</b>		SERFF FILING # <b>HUMA-129002825</b>																
1. Company: <b>Humana Insurance Company</b>																		
2. Person Responsible For Filing: <b>Paul Roe</b>	3. Title: <b>Actuary</b>																	
4. Address Of Responsible Person: <b>1100 Employers Bo</b>	5. Telephone #: <b>(800) 544-7001</b> ext. <b>8007</b>																	
6. Email Address: <b>proe@humana.com</b>																		
7. <b>Type Of Coverage:</b> <b>PPO</b> Other :																		
8. Medicare Supplement: <b>Select One</b> Not Applicable <input checked="" type="checkbox"/>																		
(1) Prestandardized Plan(s):																		
(2) Standardized Plan(s): <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input type="checkbox"/> FHD <input type="checkbox"/> G <input type="checkbox"/> H <input type="checkbox"/> I <input type="checkbox"/> J <input type="checkbox"/> JHD <input type="checkbox"/> K <input type="checkbox"/> L																		
(3) 2010 Plans: <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> F <input type="checkbox"/> FHD <input type="checkbox"/> G <input type="checkbox"/> K <input type="checkbox"/> L <input type="checkbox"/> M <input type="checkbox"/> N																		
9. <b>Sub Category:</b> <b>Small Group (1-50)</b>																		
10. A. Group Information: <b>Employer</b> <b>N/A</b> <b>N/A</b> <b>N/A</b>																		
B. Name of association or trust ( <i>if applicable</i> ):																		
C. Description of discretionary group( <i>if applicable</i> ):																		
11. <b>Colorado State Code(s):</b> <b>701 Small Group</b> <b>Select One</b>																		
N/A	N/A	N/A																
12. <b>Brief Filing Description</b> (Disability, Major Medical, LTC, Etc. Also Describe All Methodology Changes.): <b>Major Medical</b>																		
13. <b>Reason For Filing:</b>  <b>Increase In Benefits?</b> <b>Reduction In Benefits?</b> <b>Increase in Profits?</b> <b>Change Needed To Meet Projected Losses?</b> <b>Trend Only?</b> <b>Change In Rating Methodology?</b> <b>New Product (Initial Offering As Opposed To Rate Revision)?</b> <b>Other?</b> <b>(If other, please explain)</b>	<table style="width: 100%;"><tr><td><input type="checkbox"/> Yes</td><td><input checked="" type="checkbox"/> No</td></tr><tr><td><input type="checkbox"/> Yes</td><td><input checked="" type="checkbox"/> No</td></tr><tr><td><input type="checkbox"/> Yes</td><td><input checked="" type="checkbox"/> No</td></tr><tr><td><input type="checkbox"/> Yes</td><td><input checked="" type="checkbox"/> No</td></tr><tr><td><input checked="" type="checkbox"/> Yes</td><td><input type="checkbox"/> No</td></tr><tr><td><input type="checkbox"/> Yes</td><td><input checked="" type="checkbox"/> No</td></tr><tr><td><input checked="" type="checkbox"/> Yes</td><td><input type="checkbox"/> No</td></tr><tr><td><input type="checkbox"/> Yes</td><td><input type="checkbox"/> No</td></tr></table>		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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<input type="checkbox"/> Yes	<input type="checkbox"/> No																	
14. <b>Policy Form(s) Affected:</b> <b>CC2003 et al, CO CC2003M, CO CONV INDV</b>																		



15. If Rider Or Endorsement, <b>Type Of Benefits?</b> <b>NA</b>		
16. Closed Block(s)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date Block Closed:		
17. <b>Number Of Colorado Covered Lives</b> (Including Employees And Dependents): <b>313</b>		
18. A. Rating Period: <b>Other</b> From To		<input checked="" type="checkbox"/> N/A (New Product)
B. Experience Period: From To		
C. Reason for Rate Change:		
D. Average Change In Rates From One Year Prior To Effective Date: <b>0.00%</b>		
19. A. <b>Rate Change Without Trend:</b> <b>0.00%</b>		
B. <b>Trend for Rating Period (if trend factor is used in rates):</b> <b>7.00%</b>		
C. Overall Rate Impact Change: <b>0.00%</b>		
20. A. <b>Current Underlying Annualized Trend Assumption</b> (If Applicable): <b>0.00%</b>		
B. Requested Underlying <i>Annualized</i> Trend Assumption (If Applicable): <b>7.00%</b>		
21. A. <b>What Is The Maximum Rate Change That Can Affect A Policyholder?</b> <b>0.00%</b>		
B. <b>What Is The Minimum Rate Change That Can Affect A Policyholder?</b> <b>0.00%</b>		
(If the selected rate change differs from the indicated rate change, please fully detail in the actuarial memorandum in section 6K.)		
Benefits Ratios ( <b>On Colorado only basis</b> )		
22. A. Targeted Benefits Ratio over Rating Period (assumed in calculation of rates): <b>80.00%</b>		
B. Actual Benefits Ratio over Experience Period: <b>0.00%</b>		<input checked="" type="checkbox"/> N/A (New Product)
23. A. <b>Projected Benefits Ratio With Rate Change over Rating Period</b> <b>0.00%</b>	<input type="checkbox"/> Colorado <input type="checkbox"/> Colorado/Nationwide <input type="checkbox"/> Nationwide Basis	<input checked="" type="checkbox"/> N/A (New Product)
B. Projected Benefits Ratio <b>Without</b> Rate Change over Rating Period <b>0.00%</b>		
(If projected benefits ratios on a Colorado only basis are not available, then ratios developed on a blended Colorado/Nationwide or Nationwide basis are acceptable. Please indicate above.)		
24. <b>Proposed Effective Date:</b> <b>01/01/2014</b>		
25. A. <b>Total Annual Colorado Written Premium Before Change(s):</b> \$ <b>0</b>		<input checked="" type="checkbox"/> N/A (New Product)
B. <b>Total Annual Colorado Written Premium After Change(s):</b> \$ <b>0</b>		
C. Written Premium Change For This Product (Net Change): \$ <b>0</b>		
26. A. <b>Effective Date</b> of Previous Rate Filing for this Form (including initial filing):		<input checked="" type="checkbox"/> N/A (New Product)
B. Previous SERFF Filing Number(s):		
C. Overall Percentage of Last Rate Change for Affected Policy Forms: <b>0.00%</b>		
27. <b>Experience Provided:</b> <input type="checkbox"/> Nationwide <input type="checkbox"/> Colorado <b>0-2 Years (New plan only)</b> <input type="checkbox"/> other (specify)		<input checked="" type="checkbox"/> N/A (New Product)
28. <b>Small Group Filings Only: Unique Single Index Rate</b> (Effective For All Small Group Plans):		<b>316.65</b>

**General Information**

This filing is for the 1-50 small group market, with an effective date of 01/01/2014.

Company Identifying Information:

Company Legal Name: **Humana Insurance Company**  
 State: **CO**  
 HIOS Issuer ID: **79509**  
 Market: **Small Group**  
 Effective Date: **01/01/2014**

Company Contact Information:

Primary Contact Name: **Jason Hill**  
 Primary Contact Telephone Number: **920-337-5488**  
 Primary Contact Email Address: **jhill11@humana.com**

**Purpose:**

The purpose of this actuarial memorandum is to provide supporting justification to the Unified Rate Review template with the goal of demonstrating compliance with the market rating rules, as well as reasonableness of any proposed rates.

In addition, this actuarial memorandum provides required actuarial certifications related to:

- the methodology used to calculate the AV Metal Value for each plan
- the appropriateness of the essential health benefit portion of premium upon which advanced payment of premium tax credits (APTCs) are based
- the index rate is developed in accordance with federal regulations and the index rate along with allowable modifiers are used in the development of plan specific premium

This filing should be used for no other purposes.

This memorandum was prepared by a qualified actuary, and is intended to be reviewed by a qualified actuary.

**Proposed Rate Increase(s)**Reason for Rate Increase(s):

For 1/1/2014, the company is issuing all new products that comply with the requirements of the Affordable Care Act and is terminating all non-grandfathered products issued before 1/1/2014. In accordance with HHS regulations, the proposed rate increase for all new plans is zero percent.

**Experienced Period Premium and Claims**

Paid Through Date: The date through which payments have been made on Claims incurred during the experience period is:

**03/31/2013**

Premiums (net of MLR Rebate) in Experience Period:

Premiums net of MLR rebate:	\$	<b>1,979,801</b>
MLR Rebates:	\$	-
Estimated Rebates to be included:	\$	-

The basis for the Humana Small Business rebate forecast is forecasted membership, premium, claims, and expenses at the state and legal entity level. These forecasted metrics are run through a simulated rebate model, where the various components of rebate legislation are applied. The most impactful adjustments include the credibility adjustment (based on forecasted member months) and the adjustment to remove taxes and licensing fees from premium. These items are combined to estimate the Rebate Calculation Ratio (RCR), which is then compared against the 80% threshold for the Small Business segment to calculate final expected rebates.

Allowed and Incurred Claims Incurred During the Experience Period

	Allowed Claims	Incurred Claims
Claims that were processed through the issuer's claim system	\$ <b>2,018,483</b>	\$ <b>1,591,113</b>
Claims that were processed outside the issuer's claim system	\$ -	\$ -
Claims incurred but not paid as of paid through date	\$ <b>65,428</b>	\$ <b>51,575</b>

Allowed claims come directly from the an issuer's claims system after eligibility and network discounts are applied, allowed medical claims, allowed Rx claims, and member capitation payments are combined to populate the experience period data above. Member cost sharing is removed from the allowed claims to report the incurred claims entered above.

To estimate incurred claims, all commercial claims experience is segregated by legal entity, processing platform, product, geography and claim category so that appropriate balance of homogeneity and credible size is maintained. The segmentation logic is reviewed at least annually or when significant changes in the block occur (e.g. acquisitions). The paid-to-incurred claim triangles for each block are used to develop completion factors that are applied to each incurred month to estimate ultimate incurred amounts. Estimated ultimate incurred claims for the most recent twelve months are then adjusted for pending claims if there is a material variance from historical levels. Finally, the completion factors and estimated ultimate incurred claims are reviewed and may be changed to account for known anomalies in the data that may have distorted the calculation. The difference between the estimated ultimate incurred claims and the current paid-to-date amounts is the estimate of the incurred but not paid claims for each incurred month. In the calculation process, completion factors, per typical actuarial practice, are not permitted to be greater than 1.00. That is, no coverage month is permitted to have an incurred claim estimate less than the amount of claims paid to date even though historical experience may indicate that this is likely due to future claim recoveries.

For each month of incurred, the incurred but not reported amount equals the incurred claims estimate minus claims paid to date. Follow-up studies, including monthly historical reserve restatement analyses, are regularly performed to test the accuracy of the reserving methodology and suggest possible improvements.

Allowed but not reported estimates are developed utilizing the combination of the incurred but not reported estimate and the incurred to allowed ratio of historical claims.

**Benefit Categories**

The Benefit Categories are defined as follows:

**Inpatient Hospital:** Includes non-capitated services for medical, surgical, maternity, mental health and substance abuse, skilled nursing, and other services provided in an inpatient facility setting and billed by the facility.

**Outpatient Hospital:** Includes non-capitated services for surgery, emergency room, lab, radiology, therapy, observation and other services provided in an outpatient facility setting and billed by the facility. The Outpatient Hospital benefit category uses a combination of both visits and services to determine the utilization per 1,000. For items such as Outpatient Surgery and Emergency Room, where multiple services are rendered and can be billed together, visits are used for the measurement units. For single items that can be billed separately, such as Outpatient Therapy or MRI, services are used for the measurement units.

**Professional:** Includes non-capitated primary care, specialist, therapy, laboratory, radiology, and other professional services not billed by the facility. The Professional benefit category uses a combination of both visits and services to determine the utilization per 1,000. For items such as Primary Care or Specialist Office visits, where multiple services are rendered and can be billed together, visits are used for the measurement units. For single items that can be billed separately, such as Therapy or MRI, services are used for the measurement units.

**Other Medical:** Includes non-capitated ambulance, home health care, DME, prosthetics, supplies, vision exams, dental services and other services. The Other Medical benefit category uses a combination of both visits and services to determine the utilization per 1,000. For items such as Home Health visits, where multiple services are rendered and can be billed together, visits are used for the measurement units. For single items that can be billed separately, such as DME, services are used for the measurement units.

**Capitation:** Includes all services provided under one or more capitated arrangements.

**Prescription Drug:** Includes drugs dispensed by a pharmacy. This amount should be net of rebates received from drug manufacturers.

#### **Projection Factors**

0.0%	<p><b><u>Changes in the Morbidity of the Population Insured:</u></b></p> <p>This adjustment is intended to capture the change in underlying morbidity for the risk pool in 2014 compared to the current risk pool. In the small group market, the company is projecting little to no impact due to this projected factor in 2014. This industry morbidity assumption is based on a number of third-party industry wide studies and a nationwide internal analysis.</p>
1.8%	<p><b><u>Changes in Benefits:</u></b></p> <p>All new plans must cover the essential health benefits package in 2014. The specifics of the essential health benefits are contained within the benchmark plan selected in each state. There are number benefits that are considered to require rate increases in the small group market: women's preventive health, behavioral services and other state-specific services outlined in the benchmark plan and currently not reflected in the experience period data. Seven months of the experience period does not include the expected cost from the Women's Preventive Legislation and has been allocated as a percent of premium. The rate increase associated with this benefit change is .7%.</p> <p>Federal Mental Health Parity requirements is currently not in the experience period, the rate increase associated with this benefit change is .3%.</p> <p>For this state and legal entity, this list of other state specific services outlined in the benchmark plan include: Pediatric Dental and Vision, Cochlear implants, Prosthetics, and Tobacco Cessation. The rate increase associated with these benefits changes is .7712%.</p>
0.0%	<p><b><u>Changes in Demographics:</u></b></p> <p>The company is assuming the same average mix of population by age, gender, and region in the projected period as in the underlying base period experience.</p>
-5.9%	<p><b><u>Other adjustments:</u></b></p> <p>This adjustment is intended to capture the change in the company's existing risk as it converges to the market average risk due to lack of underwriting. This percentage was estimated based on a study performed by Wakely Consulting which developed the risk of each carrier's book of business relative to the small group market in the state.</p>
13.8%	<p><b><u>Trend Factors (cost/utilization):</u></b></p> <p>The cost trend captures pure unit cost changes from midpoint 2012 to midpoint 2014, calculated using the same basket of services each period, due to price/contract negotiations and provider distribution changes.</p> <p>Inpatient Hospital, Outpatient Hospital, Professional, Capitation and Other Medical cost trends are developed based on historical area specific cost trends from Humana's Small Commercial block of business data. Future cost trends are developed based on expected changes in Humana's Commercial contracts. Pharmacy cost trends are developed based on historical brand, generic, and specialty drug trends from Humana's Commercial data. Future cost trends are developed based on expected changes in these pharmacy contracts. These contractual impacts will be applicable to all members regardless of risk class.</p> <p>Utilization trend: Using Humana's Trend Quantification and Projection model, a baseline utilization trend is developed using Humana's Small Commercial block of business historical medical claims data from 2008 - 2012. The historical baseline utilization trend is developed by removing all known impacts to utilization net trend such as demographics, geography, duration, customer changes, benefit changes, new health technologies, utilization management initiatives, and changes in pertinent days. An economic regression model, based on consumer sentiment, personal disposable income, hospital construction, and high-tech medical equipment spend, is then fit to this historical baseline utilization data to project the future block of business baseline utilization trend for 2013 and 2014.</p> <p>A midpoint to midpoint methodology is applied to determine the applicable baseline utilization trend, which incorporates 2012q3 and 2012q4 actual results at the state and legal entity level with the block of business baseline utilization trend for 2013 and 2014. This results in baseline utilization trends that vary at the state and legal entity level.</p> <p>Other components are added to the baseline utilization trend to develop the total utilization trend provided. These include the following:</p> <ul style="list-style-type: none"> <li>• Pertinent days – Captures changes in the calendar, recognizing that health care utilization varies by day of the week and reporting periods contain varying weekday mix and count. This impact is developed through the use of an external consultant's model which is uploaded with Humana's Commercial claims data.</li> <li>• New Health Technologies – Captures the impact of new health technologies and procedures. An external consulting firm researches new technologies and develops per member per month impacts. These impacts are customized to Humana's Commercial business based on membership and coverage policy.</li> <li>• Management Initiatives – Captures savings for Humana initiatives designed to bend trend by managing utilization, such as case management, disease management, and nurse programs. These initiatives are evaluated by an internal actuarial organization tasked with evaluating the effectiveness of the initiatives. Evaluations are done through a collaborative effort involving clinical and other operational areas. Projected savings are calculated by determining prospective changes to impacted metric values, which are determined by analyzing historical metric values as well as through discussions with clinical and operational areas. Savings are reviewed with leadership to ensure appropriateness of assumptions.</li> </ul> <p>This describes the development of the core utilization trend. All impacts from healthcare reform have been removed and are included in the "Population Risk/Morbidity" and "Other" adjustments from Worksheet 1 to prevent double counting of any impacts.</p>

## **Credibility Manual Rate Development**

### **Source and Appropriateness of Experience Data Used:**

For markets that are fully credible, the source data used to develop the manual rate is the 12-month experience period for the market for which rates are being submitted. For markets that are not fully credible and the issuer has another legal entity within the state that is fully credible, the source data used to develop the manual rates is a blend of 12-month experience period of another fully credible legal entity from the same state and the 12-month experience period for which rates are being submitted. For markets that are not fully credible and the issuer does not have another legal entity from the same state that is fully credible, the source data used to develop the manual rates is a blend of the 12-month experience period from similar products nationwide and the 12-month experience period for which rates are being submitted.

Since this market is not considered fully credible and a legal entity from the same state is fully credible, the source data used to develop the manual rates for this submission is a blend of the 12-month experience period of the market data and the Humana Health Plan legal entity.

### **Adjustments Made to the Data:**

No adjustments made to the data, this source data is fully credible.

### **Inclusion of Capitation Payments:**

No adjusted there made to the data, capitation payments are already included within the source data.

## **Credibility of Experience**

### **Description of the Credibility Methodology Used:**

A value of 24,000 member-months of experience is assumed to be fully credible, this value was derived based on analyzing historical experience. Our credibility weight methodology utilizes the following equation:  $\sqrt{\text{member months in experience period}/24000}$ .

### **Resulting Credibility Level Assigned to Base Period Experience when applying the proposed credibility methodology:**

0.07

## **Paid to Allowed Ratio**

The anticipated paid to allowed average factor over the projection period was developed by separately considering the anticipated paid to allowed factors by each plan tier.

Once calculated, projected member month weights for each plan tier (consistent with those provided in Worksheet 2) were applied to these paid to allowed factors to produce an overall anticipated paid to allowed average factor of 74.5%.

The plan tier paid to allowed factors were developed based on an internal pricing model with underlying utilization and costs reflective of a standard population equal to that of the anticipated membership in the overall 2014 risk pool. These values were developed in accordance with generally accepted actuarial principles and methodologies.

## **Risk Adjustment and Reinsurance**

### **Projected Risk Adjustments PMPM:**

The adjustment factor to account for Humana's expected transfer amount due to the risk adjustment process was derived from our participation in a study by Wakely Consulting, an actuarial consulting firm. Wakely generated an analysis of carrier risk scores in several states based on the carrier's small group experience. Wakely generated the analysis in states where at least 80% of the insured membership in a state's small group market was included through carrier participation in the study. For the carriers that participated in the study, Wakely received a summary of their membership and de-identified claim experience so that Wakely could generate HCC risk scores for all of the carriers small group membership based on the risk adjuster scoring methodology outlined by HHS. Each carrier was supplied a summary exhibit that showed the average risk score, expected risk score, average actuarial value, average rate factor, and induced demand factor for their small group block of business. Wakely generated the expected transfer amount for each carrier based on this study. Humana then applied an expected transfer amount based on the difference in our average premium per member to the state average small group premium per member taken from the 2011 MLR rate filing experience supplied by CCIIO. The combination of the transfer amount and the difference between our average premium and the state average premium would produce the needed adjustment to our index rate for the expected risk adjuster transfer amount.

The projected risk adjustment is \$ 22.45 PMPM for this state and legal entity.

Reinsurance: Projected ACA reinsurance recoveries as a percent of premium have been accounted for in the Taxes and Fees percentage detailed

### **Projected ACA Reinsurance Recoveries Net of Reinsurance Premium (Individual Market and Combined Markets Only):**

This does not apply to the small group market.

## **Non-Benefit Expenses and Profit & Risk**

Expenses are based on our internal forecast for 2014. Expenses are estimated based off of current costs, projected volume changes and estimated changes in department workload. These expenses are simply loaded as a flat percentage of premium at this point in time and do not vary by product or plan.

### **13.0% Administrative Expense Load**

- Broker & Sales Commissions: Compensation expenses associated with business issued through an agent or agency
- Quality Expenses: Expenses associated with quality that are allowed adjustments under the Medical Loss Ratio standards
- Clinical & Network Operations: non-quality clinical costs, provider contracting, and network maintenance & development
- IT Expenses: costs associated with maintenance and development of systems
- Customer Service & Account Installation: call center, customer service, and account management
- Corporate Administration: shared functions that are not exclusive to small group medical segment, including corporate finance, legal, human resources, etc.
- Small Group Administration: functional areas & personnel that solely work on small group medical segment

- Direct Response, Marketing, & Agency Management: direct to consumer marketing expenses, other marketing expenses and agency management expenses

## 2.2% Profit (or Contribution to Surplus) & Risk Margin

- Profit margin is shown on a pre- tax basis and does not include investment income. The margin shown does not vary by product or plan.

## 3.7% Taxes and Fees

- 0.8% •State Premium Tax: state premium tax; charged on a percentage of premium

- 1.30% •Federal Insurer Annual Fee: assessment created in 2014 by PPACA. Estimated at 1.3% of premium. Not income tax deductible.

- 1.50% •Federal Reinsurance Assessment Fee: assessment created in 2014 by PPACA. Estimated at 1.5% of premium.

- 0.02% •Risk Adjuster Fee: charged on a percentage of premium basis to fund the risk adjuster process

- 0.05% •Comparative Effectiveness Fee: charged on a percentage of premium to fund comparative research conduct research evaluating and comparing health outcomes and the clinical effectiveness, risks and benefits of medical treatments.

## Projected Loss Ratio

The projected loss ratio using the Federally prescribed MLR methodology is :

Demonstration:

$$\frac{(2014 \text{ Claims}/2014 \text{ Premium}) + (\text{Quality Expenses as a \% of Premium})}{(1 - \text{Taxes and Fees as a \% of Premium})}$$

$$((2,347,257 / 2,933,974) + 1.6\%)/(1 - 3.7\%) =$$

**84.7%**

For this state and legal entity name, the projected loss ratio reported above was estimated using the 2-50 group segment experience, this does not align with the state's small business definition for calculating MLR rebates.

If the projected loss ratio is less than 80%, then the company comply with the Federal MLR requirements outlined in PHSA 2718

## Index Rate

The Experience Period is for coverage months between January 2012 and December 2012, over which time the covered benefits offered by the company were leaner than The Essential Health benefits required by the Affordable Care Act. Therefore, the index rate for the Experience Period is set equal to the total Allowed Claims PMPM in the Experience Period, with EHB pricing assumptions used to approximate the portion of the rate which covers EHB requirements in the projected period.

There are no state mandated covered benefits that are included in allowed claims but excluded from the index rate.

The following market-wide adjustments are applied to the projected index rate as the first step in determining plan level "index" rates:

- 1) Adjustments for the net impacts of both risk adjustment and reinsurance. See "Risk Adjustment and Reinsurance" earlier section for more details of this market-wide adjustment.
- 2) Expense estimates were based on our internal forecast for 2014. They were estimated based on current costs, modified to accommodate projected volume changes and changes in department workload. These are presented as a flat percentage of premium at this point in time and do not vary by product or plan, and thus are essentially another market-wide adjustment applied to the projected index rate.
- 3) An adjustment for the addition of non-EHB benefits (additional benefits we provide at our own discretion, as well as any state mandated benefits not reflected in the benchmark plan). It is assumed that the addition of such benefits increases costs to all plans uniformly, hence it is essentially handled as a market-wide adjustment.

Then the following plan-specific adjustments are applied to determine plan level "index" rates:

- 4) Each of the plan tier pricing actuarial values (AVs) were developed based on an internal pricing model with underlying utilization and costs reflective of a standard population equal to that of the anticipated membership in the overall 2014 risk pool. The data used to produce the small group pricing AVs was based on a standard population of commercially insured membership purchased from a third party vendor. Then, the 2014 plan design parameters were applied to those allowed claims to produce paid claims and pricing AV's. The company did not use the experience of the terminating products when determining the pricing adjustment due to the low membership on any particular plan which makes the experience not credible. These values were developed in accordance with generally accepted actuarial principles and methodologies.
- 5) The development of the index rate includes the anticipated average unit costs derived from the provider networks that will be available on this legal entity in this state. These average unit costs are the result of charge levels, network discounts, delivery system characteristics and utilization management practices across the entire state, for this legal entity.
- 6) The impact of Non-EHBs on the index rate is 0%.

## AV Metal Values

The AV Metal Values entered in Worksheet 2 of the Part I Unified Rate Review Template were entirely based on the AV calculator unless listed below. For those plans listed below, an alternative methodology was used to generate AV Metal Values and a copy of the actuarial certification required by 45 CFR Part 156, §156.135 has been provided for each occurrence along with this memorandum. For each actuarial certification, the chosen alternate methodology and the reason the benefits for a particular plan are not compatible with the AV Calculator are detailed. Each certification has been signed by a member of the American Academy of Actuaries, and the generated AV Metal values were developed in accordance with generally accepted actuarial principles and methodologies.

Below is the list of plans where an alternative methodology was used to generate AV Metal Values:

All plans were entirely based on the AV calculator.

## AV Pricing Values

The fixed reference plan selected as the basis for the AV Pricing Values is:

## Membership Projections

The company is terminating all non-grandfathered plans issued before 1/1/2014 and is projecting that groups will renew on similar plans throughout 2014. The membership projections found in Worksheet 2 of the Part I Unified Rate Review Template are based mapping membership from non-ACA compliant plans to 2014 ACA compliant plans. The overall membership volume is adjusted for anticipated market growth, in-force persistency, and relative competitiveness via our internal market level projection models.

### Terminated Products

The product names being terminated prior to the effective date have been listed below. The list encompasses both products that have experience included in the single risk pool during the experience period and any products that were not in effect during the experience but were made available thereafter.

List of Terminated Products:

75909CO019	75909CO037
75909CO020	75909CO038
75909CO021	75909CO039
75909CO022	75909CO040
75909CO023	75909CO041
75909CO024	75909CO042
75909CO025	75909CO043
75909CO026	75909CO044
75909CO027	75909CO045
75909CO028	75909CO046
75909CO029	75909CO047
75909CO030	75909CO048
75909CO031	75909CO049
75909CO032	75909CO050
75909CO033	75909CO051
75909CO034	75909CO052
75909CO035	75909CO053
75909CO036	75909CO054

### Plan Type

The plan types selected in the drop-down boxes in Worksheet 2, Section I of the Part I Unified Rate Review Template for each of the company's plans do not require further explanation. The company's plan types align with the definitions found on the Healthcare.gov website.

### Warning Alerts

Benefit Category	Utilization	Utilization per	Average	PMPM	Pop'l risk				Utilization per	Average	PMPM
	Description	1,000	Cost/Service		Morbidity	Other	Cost	Util	1,000	Cost/Service	
A. Inpatient Hospital	Days	142.23	\$5,967.19	\$70.73	1.000	1.019	1.054	1.008	144.43	\$6,755.00	\$81
Outpatient Hospital	Services	1,990.94	941.80	156.26	1.000	1.019	1.053	1.000	1,990.94	1,064.12	176
Total PMPM				\$226.98					Total PMPM		\$257

Benefit Category	Utilization	Utilization per	Average	PMPM	Pop'l risk				Utilization per	Average	PMPM
	Description	1,000	Cost/Service		Morbidity	Other	Cost	Util	1,000	Cost/Service	
B. Inpatient Hospital	Days	142.23	\$5,967.19	\$70.73	1.000	1.019	1.054	1.025	149.43	\$6,755.00	\$84
Outpatient Hospital	Services	1,990.94	941.80	156.26	1.000	1.019	1.053	0.992	1,959.21	1,064.12	173
Total PMPM				\$226.98					Total PMPM		\$257

Due to an error in the Unified Rate Review Template, utilization cannot be less than a 1.0000. Figure A. shows our intentions and true PMPM by service category whereas Figure B. shows the modified exhibit which totals the same PMPM after adjustments to the cost and utilization components.

We need to describe any difference between the sum of the plan level projections in Worksheet 2 and the total projected amounts found in Worksheet 1

### Reliance

I, Paul Roe, ASA, MAAA, relied on information and underlying assumptions provided by internally developed pricing and modeling as well as third party consultant data in the establishment of these rates.

### Actuarial Certification

I, Paul Roe, ASA, MAAA, am a Managing Actuary employed by Humana Insurance Company. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the Statement of Actuarial Opinion contained herein.

I hereby certify that to the best of my knowledge and judgment and based upon the information presented to me:

1. The projected index rate is:

- in compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)).
- developed in compliance with the applicable Actuarial Standards of Practice.
- reasonable in relation to the benefits provided and the population anticipated to be covered
- neither excessive nor deficient.

2. That the index rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates.

3. That the percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.

4. That the AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans except those specified in the certification. For plans where an alternate methodology was used to calculate the AV Metal Value, a copy of the actuarial certification required by 45 CFR Part 156, §156.135 has been included. That certification was signed by a member of the American Academy of Actuaries, where he or she indicated that the values were developed in accordance with generally accepted actuarial principles and methodologies. That certification also includes a reason and a description of the alternate methodology that was used for each applicable plan.

This opinion is qualified, in that the Part I Unified Rate Review Template does not demonstrate the process used by the issuer to develop the rates. Rather, it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of qualified health plans for Federally facilitated exchanges and for certification that the index rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.

A handwritten signature in blue ink that reads "Paul D. Roe". The signature is written in a cursive, flowing style.

Actuary signature:

Date: May 15, 2013

Paul Roe, ASA, MAAA  
Managing Actuary

May 15, 2013



Colorado Division of Insurance  
Denver, CO 80202

RE: Policy Series GN-58000-10, et al.  
CO-57314-07 E  
CC2003, et al.

To Whom It May Concern:

We respectfully submit for your review the enclosed rate filing with respect to the above referenced policy series. The effective date for the changes is January 1, 2014. The attached information is in the format advised by the Colorado Department's Actuarial staff, summarizing and explaining any, and all requested rate changes, and showing only the information needed to describe and explain all changes.

We trust the materials and format fulfill the guidelines you have provided. If you should have any questions, however, please do not hesitate to call me at 1 (800) 544-7001, extension 8007.

Thank you for your consideration and prompt review of the enclosed materials.

Sincerely,

HUMANA INSURANCE COMPANY


A handwritten signature in cursive script that reads "Paul D. Roe".

Paul Roe, A.S.A., M.A.A.A.  
Actuary



**Actuarial Certification  
For Colorado Small Group Medical Rate Filing  
Effective January 2014**

I, Paul Roe, am a member in good standing of the Society of Actuaries and the American Academy of Actuaries, do certify that to the best of my knowledge and judgment, the entire rate filing is in compliance with Colorado regulation 4-2-11 and the rates are not excessive, inadequate or unfairly discriminatory.

A handwritten signature in blue ink that reads "Paul D. Roe". The signature is written in a cursive style and is placed on a light blue rectangular background.

---

PAUL ROE ASA, MAAA  
HUMANA INSURANCE COMPANY

05/15/2013

(Date)

**Life, Accident & Health, Annuity, Credit Transmittal Document**

<b>1.</b>	<b>Prepared for the State of</b>	Colorado					
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<b>2.</b>	<b>Department Use Only</b>						
	State Tracking ID						

3.	Insurer Name & Address	Domicile	Insurer License Type	NAIC Group #	NAIC #	FEIN #	State #
	Humana Insurance Company 1100 Employers Blvd Green Bay, WI 54344	WI		119	73288	39-1263473	

4.	Contact Name & Address	Telephone #	Fax #	E-mail Address
	Paul Roe 1100 Employers Blvd Green Bay, WI 54344	800-544-7001 ext.8007	(920) 337-3453	proe@humana.com

<b>5.</b>	<b>Requested Filing Mode</b>	<input checked="" type="checkbox"/> Review & Approval <input type="checkbox"/> File & Use <input type="checkbox"/> Informational <input type="checkbox"/> Combination (please explain): _____ <input type="checkbox"/> Other (please explain): _____					
-----------	------------------------------	--	--	--	--	--	--

<b>6.</b>	<b>Company Tracking Number</b>						
-----------	--------------------------------	--	--	--	--	--	--

<b>7.</b>	<input checked="" type="checkbox"/> New Submission <input type="checkbox"/> Resubmission	Previous file # _____
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<b>8.</b>	<b>Market</b>	<input type="checkbox"/> Individual <input type="checkbox"/> Franchise <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 45%;">           Group   <input type="checkbox"/> Small      <input type="checkbox"/> Large      <input type="checkbox"/> Small and Large  <input checked="" type="checkbox"/> Employer      <input type="checkbox"/> Association      <input type="checkbox"/> Blanket  <input type="checkbox"/> Discretionary      <input type="checkbox"/> Trust  <input type="checkbox"/> Other: _____         </div> </div>
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<b>9.</b>	<b>Type of Insurance</b>	<b>H16G—Group Health-Major Medical</b>					
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<b>10.</b>	<b>Product Coding Matrix Filing Code</b>	<b>H16G.003A</b>					
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<b>11.</b>	<b>Submitted Documents</b>	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> <b>FORMS</b>  <input type="checkbox"/> Policy  <input type="checkbox"/> Application/Enrollment  <input type="checkbox"/> Schedule of Benefits         </div> <div style="width: 33%;"> <input type="checkbox"/> Outline of Coverage  <input type="checkbox"/> Rider/Endorsement  <input type="checkbox"/> Other         </div> <div style="width: 33%;"> <input type="checkbox"/> Certificate  <input type="checkbox"/> Advertising         </div> </div> <div style="margin-top: 5px;"> <input checked="" type="checkbox"/> <b>Rates</b>  <input checked="" type="checkbox"/> New Rate      <input type="checkbox"/> Revised Rate       </div> <div style="margin-top: 5px;"> <input type="checkbox"/> <b>FILING OTHER THAN FORM OR RATE:</b>          Please explain: _____       </div> <div style="margin-top: 5px;"> <input checked="" type="checkbox"/> <b>SUPPORTING DOCUMENTATION</b>  <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Articles of Incorporation  <input type="checkbox"/> Association Bylaws  <input type="checkbox"/> Statement of Variability  <input checked="" type="checkbox"/> Actuarial Memorandum  <input type="checkbox"/> Other _____         </div> <div style="width: 45%;"> <input type="checkbox"/> Third Party Authorization  <input type="checkbox"/> Trust Agreements  <input type="checkbox"/> Certifications         </div> </div> </div>					
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<b>12.</b>	<b>Filing Submission Date</b>	<b>05/15/2013</b>
<b>13</b>	<b>Filing Fee (If required)</b>	Amount _____ Check Date _____ Retaliatory <input type="checkbox"/> Yes <input type="checkbox"/> No Check Number _____
<b>14.</b>	<b>Date of Domiciliary Approval</b>	
<b>15.</b>	<b>Filing Description: Colorado Small Group Rate Filing</b>	
	<p><b>Provide Medical/Rx Index Rates</b></p> <p><b>Provide Medical/Rx Area Factors</b></p>	

<b>16.</b>	<b>Certification (If required)</b>
<p><b>I HEREBY CERTIFY</b> that I have reviewed the applicable filing requirements for this filing, and the filing complies with all applicable statutory and regulatory provisions for the state of <u>Colorado</u>.</p>	
Print Name <u><b>Paul Roe</b></u> Title <u><b>Actuary</b></u>	
Signature _____ Date: <u><b>05/15/2013</b></u>	

**VAUGHN INDEX**  
**REQUEST FOR CONFIDENTIAL OR PRIVILEGED STATUS**

Please fill out this form and submit it with your filing of information or documents with the Colorado Division of Insurance in the event you are requesting confidential or privileged status for all or a portion of such information or documents. It is your responsibility to both claim and validate your request for confidential or privileged status for each separate portion of the information.

**1. Identification of Party Requesting Confidential or Privileged Status:**

Name: Paul Roe, Actuary  
Company: Humana Insurance Company  
Address: 1100 Employers Boulevard, Green Bay, WI 54344  
  
Email Address: proe@humana.com  
Telephone: 1-800-544-7001 x8007  
Facsimile: 1-920-337-3453

**2. Identification of information or documents for which confidential or privileged status is requested. All of the columns *must* be completed.**

ID No.	Description of each different section or page	Date	Author	Recipient	Identify Confidentiality or Privilege Claimed (cite legal authority)	Reason why it applies
01	January 1, 2014 Small Group Rate Filing  Confidential Appendix Exhibit -Experience by MSA	05/15/2013	Paul Roe	Colorado Division of Insurance	A carrier's rating methods and practices are considered proprietary and trade secret information and are not subject to disclosure (10-16-105(6) and 10-16-105(6.6), CRS). Confidential financial data, commercial data, and trade secrets are not subject to public inspection (24-72-204(3)(a)(IV), CRS).	Exhibit contains confidential information about Humana's rating methods.

Page    of   2  

*For Division use only:*

Name of Division Employee:

Filing Date:

DOI Filing Number:

<b>ID No.</b>	<b>Description of each different section or page</b>	<b>Date</b>	<b>Author</b>	<b>Recipient</b>	<b>Identify Confidentiality or Privilege Claimed (cite legal authority)</b>	<b>Reason why it applies</b>
<b>02</b>	January 1, 2014 Small Group Rate Filing  Confidential Vaughn Index 02	05/15/2013	Paul Roe	Colorado Division of Insurance	A carrier's rating methods and practices are considered proprietary and trade secret information and are not subject to disclosure (10-16-105(6) and 10-16-105(6.6), CRS). Confidential financial data, commercial data, and trade secrets are not subject to public inspection (24-72-204(3)(a)(IV), CRS).	Exhibit contains confidential information about Humana's rating methods.

Page \_\_ of \_\_2\_\_

*For Division use only:*

**Name of Division Employee:**

**Filing Date:**

**DOI Filing Number:**

Humana Health Plan - Side by Side Comparison

Exhibit I.

Medical Index Rates for CO Small Group Business

<u>Date</u>	<u>Current Index Rate</u>	<u>Proposed Rate</u>	<u>% Change From Current</u>	<u>% Monthly Change</u>
01/01/2014	NA	316.65	NA	NA
02/01/2014	NA	316.65	NA	0.0%
03/01/2014	NA	316.65	NA	0.0%
04/01/2014	NA	322.05	NA	1.7%
05/01/2014	NA	322.05	NA	0.0%
06/01/2014	NA	322.05	NA	0.0%
07/01/2014	NA	327.55	NA	1.7%
08/01/2014	NA	327.55	NA	0.0%
09/01/2014	NA	327.55	NA	0.0%
10/01/2014	NA	333.14	NA	1.7%
11/01/2014	NA	333.14	NA	0.0%
12/01/2014	NA	333.14	NA	0.0%

Rx Index Rates for CO Small Group Business

<u>Date</u>	<u>Current Index Rate</u>	<u>Proposed Rate</u>	<u>% Change From Current</u>	<u>% Monthly Change</u>
01/01/2014	NA	53.77	NA	NA
02/01/2014	NA	53.77	NA	0.0%
03/01/2014	NA	53.77	NA	0.0%
04/01/2014	NA	54.69	NA	1.7%
05/01/2014	NA	54.69	NA	0.0%
06/01/2014	NA	54.69	NA	0.0%
07/01/2014	NA	55.62	NA	1.7%
08/01/2014	NA	55.62	NA	0.0%
09/01/2014	NA	55.62	NA	0.0%
10/01/2014	NA	56.57	NA	1.7%
11/01/2014	NA	56.57	NA	0.0%
12/01/2014	NA	56.57	NA	0.0%

Medical Plan Benefit Factors

Product Type	Coins	PCP Copay	Par Ded	Par OOP	Current Factor	Revised Factor	% Change
Trad Copay PPO	100/70	25	500	4000	NA	0.8058	NA
Trad Copay PPO	100/70	25	1000	4000	NA	0.7431	NA
Trad Copay PPO	100/70	30	1500	6400	NA	0.6663	NA
Trad Copay PPO	100/70	30	2000	6400	NA	0.6271	NA
Trad Copay PPO	100/70	35	2000	5000	NA	0.6366	NA
Trad Copay PPO	90/60	30	1500	6400	NA	0.6111	NA
Trad Copay PPO	90/60	30	2000	6400	NA	0.5866	NA
Trad Copay PPO	80/50	25	500	4000	NA	0.6350	NA
Trad Copay PPO	80/50	25	1000	4000	NA	0.5905	NA
Trad Copay PPO	80/50	40	1500	5000	NA	0.5296	NA
Trad Copay PPO	80/50	30	2000	6400	NA	0.4941	NA
Trad Copay PPO	80/50	30	2000	6400	NA	0.4941	NA
Trad Copay PPO	80/50	45	2000	5000	NA	0.5036	NA
Trad Copay PPO	70/50	20	1000	4000	NA	0.5602	NA
Trad Copay PPO	70/50	35	2000	6400	NA	0.4689	NA
Trad Copay PPO	70/50	40	2000	6400	NA	0.4624	NA
Trad Copay PPO	60/50	30	2000	6400	NA	0.4458	NA
Trad Copay PPO	60/50	35	2000	6400	NA	0.4430	NA
Trad Copay PPO	60/50	40	2000	6400	NA	0.4377	NA
Trad Copay PPO	50/50	25	2000	6400	NA	0.4036	NA
Trad Copay PPO	50/50	30	2000	6400	NA	0.3903	NA
Trad Copay PPO	50/50	35	2000	6400	NA	0.3973	NA
Trad Copay PPO	50/50	40	2000	6400	NA	0.3916	NA
EHDHP PPO	100/70	0	2000	2000	NA	0.8766	NA
EHDHP PPO	90/60	0	5000	6400	NA	0.5714	NA
EHDHP PPO	80/50	0	2000	6400	NA	0.6548	NA
EHDHP PPO	80/50	0	4000	6400	NA	0.5232	NA
EHDHP PPO	80/50	0	5000	6400	NA	0.4870	NA
EHDHP PPO	70/50	0	1500	6400	NA	0.6335	NA
EHDHP PPO	70/50	0	3500	6400	NA	0.5175	NA
HDHP PPO	100/70	0	1750	1750	NA	0.8937	NA
HDHP PPO	100/70	0	5500	5000	NA	0.5615	NA
HDHP PPO	80/50	0	1500	6400	NA	0.6888	NA

HDHP PPO	80/50	0	4000	6400	NA	0.5081	NA
EHDHP Walmart/CVS PPO	100/70	0	2000	2000	NA	0.8678	NA
EHDHP Walmart/CVS PPO	90/60	0	5000	6400	NA	0.5656	NA
EHDHP Walmart/CVS PPO	80/50	0	2000	6400	NA	0.6483	NA
EHDHP Walmart/CVS PPO	80/50	0	4000	6400	NA	0.5180	NA
EHDHP Walmart/CVS PPO	80/50	0	5000	6400	NA	0.4821	NA
EHDHP Walmart/CVS PPO	70/50	0	1500	6400	NA	0.6271	NA
EHDHP Walmart/CVS PPO	70/50	0	3500	6400	NA	0.5123	NA
HDHP Walmart/CVS PPO	100/70	0	1750	1750	NA	0.8847	NA
HDHP Walmart/CVS PPO	100/70	0	5500	5000	NA	0.5559	NA
HDHP Walmart/CVS PPO	80/50	0	1500	6400	NA	0.6819	NA
HDHP Walmart/CVS PPO	80/50	0	4000	6400	NA	0.5031	NA
Simplicity PPO	100/70	30	0	6400	NA	0.6533	NA
Simplicity PPO	100/70	45	0	6400	NA	0.4725	NA
Simplicity PPO	100/70	50	0	6400	NA	0.3975	NA
Coins PPO	80/50	0	2000	5000	NA	0.5046	NA
Coins PPO	70/50	0	1500	5000	NA	0.5001	NA
Coins PPO	70/50	0	5000	6400	NA	0.3634	NA
Indemnity	80/50	0	2000	5000	NA	0.8413	NA

#### Rx Plan Benefit Factors

Description	Current Factor	Revised Factor	% Change
Rx4 10/35/55/25%	NA	0.8530	NA
Rx4 10/45/90/25%	NA	0.7256	NA
Rx4 10/40/70/25%	NA	0.7908	NA
Rx4 10/30/50/25%	NA	0.8906	NA
Rx4 10/30/50/25% 100 ded	NA	0.8032	NA
Rx4 10/35/50/25% 100 ded	NA	0.7805	NA
Rx4 10/35/55/25%	NA	0.8507	NA
Rx4 10/35/55/25% 250 ded	NA	0.6783	NA
Rx4 10/35/70/25% 250 ded	NA	0.6458	NA
Rx4 10/35/75/25%	NA	0.8029	NA
Rx4 10/40/70/25% w/ 3500 OOP	NA	0.8136	NA
Rx4 10/40/70/25% 250 ded	NA	0.6270	NA
Rx4 10/45/70/25%	NA	0.7713	NA
Rx4 10/45/75/25%	NA	0.7571	NA
Rx4 10/45/75/25% 100 ded	NA	0.6805	NA
Rx4 10/45/90/25%	NA	0.7236	NA
Rx4 10/45/90/25% 100 ded	NA	0.6498	NA
Rx4 10/45/90/25%	NA	0.7236	NA
Rx4 10/45/90/25% 100 ded	NA	0.6498	NA
Rx4 10/35/55/25% Walmart/CVS	NA	0.7677	NA
Rx4 10/45/90/25% Walmart/CVS	NA	0.6530	NA
Rx4 10/40/70/25% Walmart/CVS	NA	0.7117	NA
Rx4 10/30/50/25% Walmart/CVS	NA	0.8015	NA
Rx4 10/30/50/25% 100 ded Walmart/CVS	NA	0.7229	NA
Rx4 10/35/50/25% 100 ded Walmart/CVS	NA	0.7024	NA
Rx4 10/35/55/25% Walmart/CVS	NA	0.7656	NA
Rx4 10/35/55/25% 250 ded Walmart/CVS	NA	0.6105	NA
Rx4 10/35/70/25% 250 ded Walmart/CVS	NA	0.5813	NA
Rx4 10/35/75/25% Walmart/CVS	NA	0.7226	NA
Rx4 10/40/70/25% w/ 3500 OOP Walmart/CVS	NA	0.7322	NA
Rx4 10/40/70/25% 250 ded Walmart/CVS	NA	0.5643	NA
Rx4 10/45/70/25% Walmart/CVS	NA	0.6942	NA
Rx4 10/45/75/25% Walmart/CVS	NA	0.6813	NA
Rx4 10/45/75/25% 100 ded Walmart/CVS	NA	0.6124	NA
Rx4 10/45/90/25% Walmart/CVS	NA	0.6513	NA
Rx4 10/45/90/25% 100 ded Walmart/CVS	NA	0.5848	NA
Rx4 10/45/90/25% Walmart/CVS	NA	0.6513	NA
Rx4 10/45/90/25% 100 ded Walmart/CVS	NA	0.5848	NA

**Medical Area Factors**

	<b><u>Current</u></b>	<b><u>Proposed</u></b>	<b><u>% Change from Current</u></b>
Boulder	NA	1.5373	NA
Colorado Springs	NA	1.3845	NA
Denver	NA	1.3670	NA
Fort Collins	NA	2.5298	NA
Grand Junction	NA	2.5298	NA
Greeley	NA	2.5298	NA
Northeast Non-MSA	NA	2.5298	NA
Pueblo	NA	2.5298	NA
Resort	NA	2.5298	NA
Southeast Non-MSA	NA	2.5298	NA
West Non-MSA	NA	2.5298	NA

**Rx Area Factors**

	<b><u>Current</u></b>	<b><u>Proposed</u></b>	<b><u>% Change from Current</u></b>
Boulder	NA	1.4460	NA
Colorado Springs	NA	1.4613	NA
Denver	NA	1.6447	NA
Fort Collins	NA	2.2952	NA
Grand Junction	NA	2.2952	NA
Greeley	NA	2.2952	NA
Northeast Non-MSA	NA	2.2952	NA
Pueblo	NA	2.2952	NA
Resort	NA	2.2952	NA
Southeast Non-MSA	NA	2.2952	NA
West Non-MSA	NA	2.2952	NA



# **HIC Small Business Non-Grandfathered Rate Manual**

**HUMANA INSURANCE COMPANY**  
**This is the rate filing for Humana's Small Business Products.**

**Medical Rating Formula**

The medical rates for coverage types are calculated as follows:

- 1.) Index Rate
- 2.) x Area Factor
- 3.) x Age Factor
- 4.) x Medical Plan Benefit Factor
- 5.) x Optional Riders

**Drug Rating Formula**

- 1.) Index Rate
- 2.) x Area Factor
- 3.) x Age Factor
- 4.) x Rx Plan Benefit Factor

**TABLE 1**  
Index Rates

<b><u>Date</u></b>	<b><u>Medical</u></b>	<b><u>RX</u></b>
01/01/2014	\$ 316.65	\$ 53.77
02/01/2014	\$ 316.65	\$ 53.77
03/01/2014	\$ 316.65	\$ 53.77
04/01/2014	\$ 322.05	\$ 54.69
05/01/2014	\$ 322.05	\$ 54.69
06/01/2014	\$ 322.05	\$ 54.69
07/01/2014	\$ 327.55	\$ 55.62
08/01/2014	\$ 327.55	\$ 55.62
09/01/2014	\$ 327.55	\$ 55.62
10/01/2014	\$ 333.14	\$ 56.57
11/01/2014	\$ 333.14	\$ 56.57
12/01/2014	\$ 333.14	\$ 56.57

**TABLE 2**  
Area Factors

<b><u>Rating Area</u></b>	<b><u>Medical</u></b>	<b><u>Rx</u></b>
Boulder	1.5373	1.4460
Colorado Springs	1.3845	1.4613
Denver	1.3670	1.6447
Fort Collins	2.5298	2.2952
Grand Junction	2.5298	2.2952
Greeley	2.5298	2.2952
Northeast Non-MSA	2.5298	2.2952
Pueblo	2.5298	2.2952
Resort	2.5298	2.2952
Southeast Non-MSA	2.5298	2.2952
West Non-MSA	2.5298	2.2952

**TABLE 3**

# Age Factors

<i><b>Age</b></i>	<i><b>Factor</b></i>
0-20	0.635
21	1.000
22	1.000
23	1.000
24	1.000
25	1.004
26	1.024
27	1.048
28	1.087
29	1.119
30	1.135
31	1.159
32	1.183
33	1.198
34	1.214
35	1.222
36	1.230
37	1.238
38	1.246
39	1.262
40	1.278
41	1.302
42	1.325

<i><b>Age</b></i>	<i><b>Factor</b></i>
43	1.357
44	1.397
45	1.444
46	1.500
47	1.563
48	1.635
49	1.706
50	1.786
51	1.865
52	1.952
53	2.040
54	2.135
55	2.230
56	2.333
57	2.437
58	2.548
59	2.603
60	2.714
61	2.810
62	2.873
63	2.952
64+	3.000

**Table 4**  
Medical Plan Factors

<b><i>Product Type</i></b>	<b><i>Coins</i></b>	<b><i>PCP Copay</i></b>	<b><i>PCP Ded</i></b>	<b><i>PCP OOP</i></b>	<b><i>Factor</i></b>
Trad Copay PPO	100/70	25	500	4000	0.8058
Trad Copay PPO	100/70	25	1000	4000	0.7431
Trad Copay PPO	100/70	30	1500	6400	0.6663
Trad Copay PPO	100/70	30	2000	6400	0.6271
Trad Copay PPO	100/70	35	2000	5000	0.6366
Trad Copay PPO	90/60	30	1500	6400	0.6111
Trad Copay PPO	90/60	30	2000	6400	0.5866
Trad Copay PPO	80/50	25	500	4000	0.6350
Trad Copay PPO	80/50	25	1000	4000	0.5905
Trad Copay PPO	80/50	40	1500	5000	0.5296
Trad Copay PPO	80/50	30	2000	6400	0.4941
Trad Copay PPO	80/50	30	2000	6400	0.4941
Trad Copay PPO	80/50	45	2000	5000	0.5036
Trad Copay PPO	70/50	20	1000	4000	0.5602
Trad Copay PPO	70/50	35	2000	6400	0.4689
Trad Copay PPO	70/50	40	2000	6400	0.4624
Trad Copay PPO	60/50	30	2000	6400	0.4458
Trad Copay PPO	60/50	35	2000	6400	0.4430
Trad Copay PPO	60/50	40	2000	6400	0.4377
Trad Copay PPO	50/50	25	2000	6400	0.4036
Trad Copay PPO	50/50	30	2000	6400	0.3903
Trad Copay PPO	50/50	35	2000	6400	0.3973
Trad Copay PPO	50/50	40	2000	6400	0.3916
EHDHP PPO	100/70	0	2000	2000	0.8766
EHDHP PPO	90/60	0	5000	6400	0.5714
EHDHP PPO	80/50	0	2000	6400	0.6548
EHDHP PPO	80/50	0	4000	6400	0.5232
EHDHP PPO	80/50	0	5000	6400	0.4870
EHDHP PPO	70/50	0	1500	6400	0.6335
EHDHP PPO	70/50	0	3500	6400	0.5175
HDHP PPO	100/70	0	1750	1750	0.8937
HDHP PPO	100/70	0	5500	5000	0.5615
HDHP PPO	80/50	0	1500	6400	0.6888
HDHP PPO	80/50	0	4000	6400	0.5081
EHDHP Walmart/CVS PPO	100/70	0	2000	2000	0.8678
EHDHP Walmart/CVS PPO	90/60	0	5000	6400	0.5656
EHDHP Walmart/CVS PPO	80/50	0	2000	6400	0.6483
EHDHP Walmart/CVS PPO	80/50	0	4000	6400	0.5180

<b><i>Product Type</i></b>	<b><i>Coins</i></b>	<b><i>PCP Copay</i></b>	<b><i>PCP Ded</i></b>	<b><i>PCP OOP</i></b>	<b><i>Factor</i></b>
EHDHP Walmart/CVS PPO	80/50	0	5000	6400	0.4821
EHDHP Walmart/CVS PPO	70/50	0	1500	6400	0.6271
EHDHP Walmart/CVS PPO	70/50	0	3500	6400	0.5123
HDHP Walmart/CVS PPO	100/70	0	1750	1750	0.8847
HDHP Walmart/CVS PPO	100/70	0	5500	5000	0.5559
HDHP Walmart/CVS PPO	80/50	0	1500	6400	0.6819
HDHP Walmart/CVS PPO	80/50	0	4000	6400	0.5031
Simplicity PPO	100/70	30	0	6400	0.6533
Simplicity PPO	100/70	45	0	6400	0.4725
Simplicity PPO	100/70	50	0	6400	0.3975
Coins PPO	80/50	0	2000	5000	0.5046
Coins PPO	70/50	0	1500	5000	0.5001
Coins PPO	70/50	0	5000	6400	0.3634
Indemnity	80/50	0	2000	5000	0.8413

**TABLE 5**  
Optional Riders

Carry Over Credit	1.0340
Women's Preventive Religious Contraceptive Opt-Out Non-HDHP	0.9897
Women's Preventive Religious Contraceptive Opt-Out HDHP	0.9900

**TABLE 6**  
Rx Plan Benefit Factors

<i><u>Rx Plan</u></i>	<i><u>Rx Plan Benefit Factor</u></i>	<i><u>Walmart/CVS Rx Plan Benefit Factor</u></i>
Rx4 10/35/55/25% Simplicity	0.8530	0.7677
Rx4 10/45/90/25% Simplicity	0.7256	0.6530
Rx4 10/40/70/25% Simplicity	0.7908	0.7117
Rx4 10/30/50/25%	0.8906	0.8015
Rx4 10/30/50/25% 100 ded	0.8032	0.7229
Rx4 10/35/50/25% 100 ded	0.7805	0.7024
Rx4 10/35/55/25%	0.8507	0.7656
Rx4 10/35/55/25% 250 ded	0.6783	0.6105
Rx4 10/35/70/25% 250 ded	0.6458	0.5813
Rx4 10/35/75/25%	0.8029	0.7226
Rx4 10/40/70/25% with 3500 OOP	0.8136	0.7322
Rx4 10/40/70/25% 250 ded	0.6270	0.5643
Rx4 10/45/70/25%	0.7713	0.6942
Rx4 10/45/75/25%	0.7571	0.6813
Rx4 10/45/75/25% 100 ded	0.6805	0.6124
Rx4 10/45/90/25%	0.7236	0.6513
Rx4 10/45/90/25% 100 ded	0.6498	0.5848
Rx4 10/45/90/25%	0.7236	0.6513
Rx4 10/45/90/25% 100 ded	0.6498	0.5848